

June 10, 2019



Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

The Willard Office Building
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Washington, DC 20004
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Dear Secretary:

RE: Securities Offering Reform for Closed-End Investment Companies, File Number S7-03-19

We appreciate the opportunity to provide feedback on the Commission's proposal on Offering Reform for Closed-End Investment Companies. We support the Commission's proposal to require XBRL for reporting by Business Development Companies (BDC) and Closed End Funds (CEF), however we disagree with the proposal that certain forms be prepared using a custom XML schema. Adopting a single data standard for financial reporting by all entities is the most effective path to attaining the benefits of structured data as described in this SEC proposal as making *"...financial information easier for investors to analyze and help automate regulatory filings and business information processing... BDC investors would—either directly or indirectly through third-party analysis—benefit from the availability of relevant information in a structured data format."*

XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL (a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies). XBRL US members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

Recommendations

We strongly support the SEC's proposed rule that BDCs be required to prepare financials using Inline XBRL. We also agree with the Commission proposal that check boxes on Form N-2 should be prepared in XBRL, and that financial tables, risk factors, and other information in the fund prospectus be prepared in XBRL. We disagree, however, with certain aspects of the proposed ruling that opt for custom XML schemas for the reporting of financial data, and make the following recommendations:

- Adopt rules proposed by the Commission to require XBRL tagging for:
 - BDC disclosures
 - Checkboxes on Form N-2
 - Prospectus'
- In addition, require XBRL tagging for:

- Registration fees on Form N-2
- Registration fee calculation data reported on Form 24F-2
- Revisit the ruling on Forms N-CEN and N-PORT which mandates the use of a custom XML schema, and require that these forms be prepared using XBRL

Adopting a single, clearly defined data standard, that renders information into machine-readable format will enable the Commission to meet the goals stated in this proposal. Requiring multiple formats (custom XML schema) will result in added costs for reporting entities and for data consumers.

The section below elaborates on these recommendations and provides responses to specific questions outlined in the Commission's proposal.

BDC Disclosures Should be Tagged Using Inline XBRL

Proposal questions: *Should we require BDCs to tag financial statement information in a structured data format? Why or why not? Is Inline XBRL the appropriate format for BDC financial statement information? Why or why not? If another structured data format would be more appropriate, which one, and why?*

BDCs, like listed operating companies and mutual funds, should be required to prepare their financials using Inline XBRL for the following reasons:

Financial data in structured, standardized format is more functional and timely than data in unstructured (HTML or text) format.

XBRL-formatted data can be automatically consumed into databases and analytical applications. It is more consistent, and adheres to agreed-upon definitions, which improves the clarity and transparency of the reported information. Because it is machine-readable, XBRL data is significantly less expensive to process and more timely than unstructured data.

BDCs will be able to use the US GAAP Financial Reporting Taxonomy, which is mature and widely used. The US GAAP Taxonomy has been in widespread use for 11 years by over 6,000 public companies. There is significant experience in the marketplace in working with this taxonomy through the development team at the Financial Accounting Standards Board (FASB) that maintains and supports the taxonomy, as well as vendors who work with filers in preparing their financials using this taxonomy.

BDC financial statement line items are already captured in this taxonomy. For example, the value for Net Investment Income, as shown on the diagram below, is already available in the US GAAP Taxonomy with associated definitions, authoritative references and other metadata. Creating a new custom schema to represent data for BDCs would be an unnecessary expenditure for the Commission and would also result in additional cost for the vendor marketplace.

APOLLO INVESTMENT CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS
(In thousands, except share data)

| | Year Ended March 31, | | |
|--|----------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 |
| Operations | | | |
| Net investment income | \$ 127,749 | \$ 90,032 | \$ 127,749 |
| Net realized losses | (5,770) | (5,770) | (5,770) |
| Net change in unrealized losses | 71,946 | (112,042) | (112,042) |
| Net Increase in Net Assets Resulting from Operations | \$ 193,925 | \$ (27,810) | \$ 110,000 |
| Distributions to Stockholders | | | |
| Distribution of net investment income | (112,042) | (14,533) | (14,533) |
| Distribution of return of capital | (126,575) | (50,830) | (50,830) |
| Net Decrease in Net Assets Resulting from Distributions to Stockholders | \$ (238,617) | \$ (65,363) | \$ (65,363) |
| Capital Share Transactions | | | |
| Repurchase of common stock | (50,830) | (63,711) | (63,711) |
| Net Decrease in Net Assets Resulting from Capital Share Transactions | \$ (50,830) | \$ (63,711) | \$ (63,711) |
| Net Assets | | | |
| Net decrease in net assets during the period | (63,711) | (163,784) | (163,784) |
| Net assets at beginning of period | 1,481,797 | 1,645,581 | 1,645,581 |
| Net Assets at End of Period | \$ 1,418,086 | \$ 1,481,797 | \$ 1,481,797 |
| Capital Share Activity | | | |
| Shares repurchased during the period | (3,227,046) | (1,127,519) | (2,153,947) |
| Shares issued and outstanding at beginning of period | 72,104,032 | 73,231,551 | 75,385,499 |
| Shares Issued and Outstanding at End of Period | 68,876,986 | 72,104,032 | 73,231,552 |

Concept Name:
InvestmentIncomeNet

Authoritative Reference:
FASB Accounting Standards
Codification, Topic 220, Subtopic
10, Section S99, Paragraph 2,
Subparagraph (SX 210.5-03.9)

Documentation Label:
Amount after accretion
(amortization) of discount
(premium), and investment
expense, of interest income and
dividend income on nonoperating
securities.

Period type: duration
Balance type: credit

Data type: monetary
Units: US dollars

The same applications used to prepare XBRL for operating companies could be leveraged for BDCs, reducing market fragmentation, and increasing economies of scale.

Software applications designed to produce XBRL-formatted data using the US GAAP Taxonomy, are already in place, and can accommodate additional filers. The ability of software providers to leverage existing tools would keep the cost of adoption for BDCs low as there would be no development cost incurred by software companies to build new tools to support a different data standard.

In addition, the ability of a software provider to leverage a single product to meet the needs of multiple customer types, eliminates “switching” costs. The vendor can use the same product, the same customer-facing personnel, and the same on-boarding and customer support processes, in working with public companies, BDCs, and mutual funds. This enables economies of scale, reducing vendor cost, and allows for savings which can be passed on to filers.

Data extraction and analytical tools widely available today, can also be used for BDC data.

Database applications and analytical tools that consume XBRL-formatted US GAAP data are ready and available to consume any new XBRL data that becomes available. This ensures that the cost of access to BDC financial data, and the cost of analyzing that data, will be low.

The adoption of a consistent standard reduces market fragmentation caused by divergence in regulations. A 2018 study¹ conducted jointly by the International Federation of Accountants (IFAC) and Business at OECD (BIAC), addressed the issue of regulatory divergence on a global scale, noting that “Regulatory divergence in the financial sector is causing material, increasing costs to the global economy, exacerbating risks in the financial system, and impacting economic growth.” We see such fragmentation even within reporting required by a single U.S. regulator. The Commission today requires reporting entities to submit data using different formats - some report in XBRL (or Inline XBRL), some in HTML, some in custom XML schemas. Fragmentation means

¹ Regulatory Divergence: Costs, Risks, Impacts: <https://www.ifac.org/news-events/2018-04/patchwork-financial-regulation-780-billion-drag-economy>

higher costs for regulators and investors. Fragmentation means unnecessary burden on vendors, which is ultimately passed on to the issuer in the form of higher fees for data preparation.

XBRL Should be Required for Forms N-CEN and N-PORT

Proposal questions: *Is it appropriate for BDCs to be subject to the same Inline XBRL financial statement information requirements as operating companies, or would it be more appropriate to require them to provide structured data by filing reports on Form N-PORT or Form N-CEN?*

In June 2018, the SEC finalized the Investment Company Reporting Modernization ruling, which now requires investment companies to report Forms N-CEN and N-PORT using a custom XML schema. BDCs fall under the Investment Company Act of 1940, which would suggest that they should also file Forms N-CEN and N-PORT.

We strongly believe that the Investment Company Reporting Modernization rule should be revised to require the data reported in these forms to be submitted in XBRL. Below is our rationale for this position.

Financial data should always be reported in XBRL format, not in a custom XML schema.

Forms N-CEN and N-PORT require the SEC to create a custom XML schema. Both forms contain a significant amount of financial data which is more efficiently reported in XBRL format. For example, Form N-CEN requires the reporting of broker commissions as shown in this portion of an N-CEN XML submission in the diagram below. This value is already available in the US GAAP Taxonomy as shown in the second diagram below. The Commission created two different taxonomy concepts to report the same fact.

Element Used in Form N-CEN

```
▼ <brokerDealer>
  <brokerDealerName>TIAA-CREF Individual & Instit Services, LLC</brokerDealerName>
  <brokerDealerFileNo>8-44454</brokerDealerFileNo>
  <brokerDealerCrdNo>000020472</brokerDealerCrdNo>
  <brokerDealerLei>N/A</brokerDealerLei>
  <brokerDealerStateCountry brokerDealerState="US-NY" brokerDealerCountry="US"/>
  <brokerDealerCommission>0.00000000</brokerDealerCommission>
```

Element Used in US GAAP Financial Reporting Taxonomy

Payments for Commissions

| Labels | | |
|----------------|-------|--|
| Type | Lang | Label |
| Standard Label | en-US | Payments for Commissions |
| Documentation | en-US | The amount of cash paid for commissions during the current period. |

| References | | |
|------------------|----------------|---|
| Type | Reference | |
| Legacy reference | Publisher Name | FASB Accounting Standards Codification |
| | Topic | 230 |
| | SubTopic | 10 |
| | Section | 45 |
| | Paragraph | 25 |
| | Subparagraph | (g) |
| | URI | http://asc.fasb.org/extlink&oid=118932676&loc=d3e3536-108585 |

| Properties | |
|------------|---|
| Property | Value |
| Name | PaymentsForCommissions |
| Namespace | http://fasb.org/us-gaap/2019-01-31 |
| Data Type | xbri:monetaryItemType |
| XBRL Type | monetaryItemType |

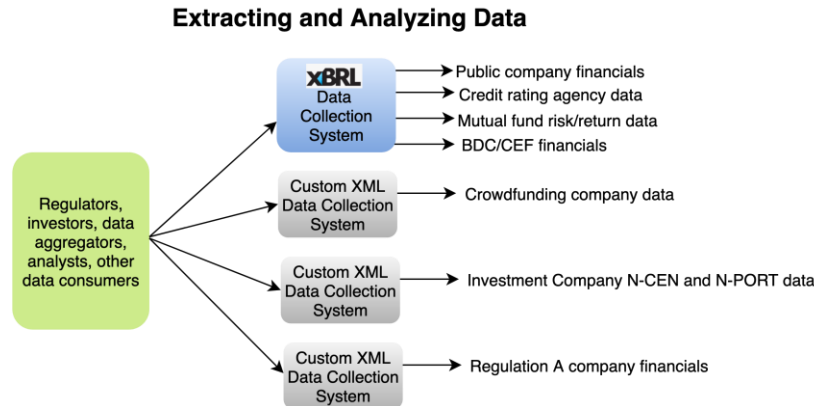
Form N-PART, in particular, contains a substantial amount of financial data and investment schedules, which could be easily handled in XBRL. Only XBRL has the structure to handle the complexities of financial reporting, which requires consistent methods to handle time period, currency, balance type, precision, authoritative references to accounting standards, and if necessary, dimensional information.

Switching to XBRL would reduce costs to regulators and investors using data reported on Forms N-CEN and N-PART.

Data reported on Forms N-CEN and N-PART must be extracted, collected, and analyzed using completely different software tools than data prepared in XBRL format. This exacerbates the complexity of data collection and analysis for investors, regulators, and other data users. Inconsistency in regulatory reporting adds up to higher costs, greater burden, and time delays in access to data. The chart below depicts the current data collection environment for users of data from different types of organizations that are required to report to the SEC. To access data about crowdfunding companies, investment companies, or Reg A companies requires using separate data collection systems, as depicted in the gray boxes, because the structured format requirements for each of these entity types is different.

The blue box at the top of the diagram depicts the XBRL data collection system. Accessing data about public company financials, credit rating agency data, mutual fund risk/return data, and, if this proposal goes through as written, BDC companies, requires a single data collection and analysis system because it is all reported in XBRL. This results in economies of scale for data providers, for the Commission itself, and ultimately for the investors and analysts performing analysis downstream. Conversely, data reported by crowdfunded companies requires a different

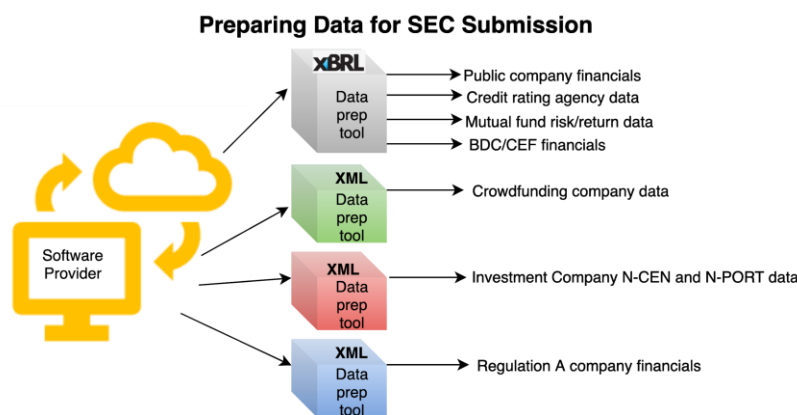
data collection system; data reported by investment companies requires a third data collection system; and data reported by Reg A companies requires a fourth data collection system. These separate data collection systems, depicted in the gray boxes, are necessary because data from these entities is reported using different custom XML schemas.



Switching to XBRL would reduce costs to preparers of N-CEN and N-PORT data.

Similarly, vendors of document preparation applications often work with many different types of reporting entities that are required to disclose financial data to the SEC. As illustrated in the diagram below, a single vendor may have clients that are public companies and investment companies. When each entity is required to report using a completely different data format, the vendor must develop and maintain different products, and adopt different processes for product fulfillment. The vendor may need to maintain different staff, trained to work with each client base and product.

When different reporting entities report using the same standard, vendors benefit from economies of scale, and the savings generated can be passed on to clients (preparers).



Proposal questions: *Should structured financial statement data reporting requirements be tailored to BDCs?*

We do not believe there is any significant difference in the filing process for BDCs versus operating companies, therefore we do not believe there should be any difference in their reporting requirements.

Proposal question: *Should any subset of BDCs (for example, BDCs that would not be eligible to file a shortform registration statement) be exempt from the proposed structured financial statement data reporting requirement?*

Data from all BDCs should be reported in the same format to ensure consistency and usability of data reported. With 100% of companies filing in the same format, economies of scale will help to lower costs to preparers and to users of data.

Proposal question: *Do commenters agree that the relevant XBRL taxonomies are sufficiently well developed for financial statement reporting by BDCs?*

A review of the financial statements for Apollo Investment Management, one of the largest reporting BDCs, suggests that the existing US GAAP Financial Reporting Taxonomy should contain the needed elements for reporting in XBRL by BDCs.

Require XBRL for Check Boxes and Registration Fees on Form N-2

Proposal questions: *Should we require, as proposed, all information on the cover page of Form N-2, except the table that includes information about the calculation of the fund's registration fee, to be tagged using Inline XBRL format?*

We agree with the Commission proposal to require the use of XBRL for the check boxes on Form N-2, however we believe that the financial data on this form should also be in XBRL format. The registration fee calculation, including amount being registered, proposed maximum offering price, proposed maximum aggregate offering price and amount of registration fee, are valuable reported facts. Preparing them in XBRL format would facilitate the ability of regulators and data aggregators to extract that information with ease, and use them for multi-fund comparisons and other types of analysis.

In addition, we do not believe that tagging these few additional facts would increase the burden of tagging on issuers. Once the form is tagged the first time, updating the data each reporting period is not a significant task.

Proposal questions: *Instead of requiring cover page data points to be tagged using Inline XBRL format, should we require this data to be submitted using another format, such as XML? ... Should more than one format be permitted? Should the specific format be left unspecified? Would investors and others realize the benefits of reporting in a structured data format if the specific structured data format were unspecified?*

Cover page data points should be prepared using a single data standard which should be XBRL, as proposed. Allowing reporting entities to choose from more than one data standard would cause confusion in the marketplace and unnecessary costs throughout the reporting supply chain.

Creating a new custom XML schema to accommodate the N-2 would result in: 1) added cost for the Commission to create and to maintain the new schema, 2) vendors of data preparation tools would need to build new products to create the data, and 3) database and analytical tool vendors would need to create new tools to extract the data. The proposal, as written, will ensure that the cost of reporting, data collection, and analysis remains as low as possible for all stakeholders.

Proposal questions: *Are there any changes we should make to the proposed amendments to better ensure accurate and consistent tagging?*

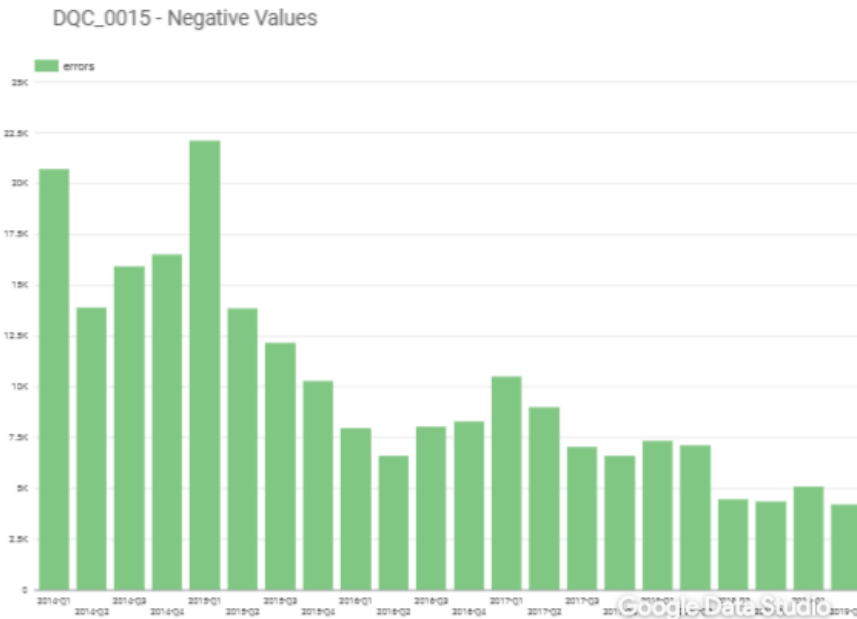
The Commission should consider creating, and requiring the use, of validation rules which would help to ensure good data quality. Validation rules could be prepared to help issuers understand if a value reported should be positive or negative, to ensure that facts calculate correctly, and that dimensional data is appropriately prepared, among other business rules that can be created. The Commission should also require the anchoring of custom extensions (linking a custom extension element created by a reporting entity, to a base taxonomy element to clarify the meaning of the extension and enable comparability of data from entity to entity). This too, would help to improve the quality of the data reported and aid data users in consuming the information.

The XBRL US Data Quality Committee², a consortium-led initiative that develops freely available automated validation rules for public company filers, has been developing rules since 2015. These rules have effectively reduced the number of errors found in XBRL financials as shown on the chart below, which depicts errors where the company reported a value as negative that should have been positive³. The peaks in error count on the chart coincide with periods where new rulesets were initially made available and began being used, or where larger annual (10-K) filings were reported, which resulted in a higher error count.

Validation rules are available for thousands of individual US GAAP Taxonomy concepts, and can be run in an automated fashion against an XBRL financial document, identifying errors that can be easily resolved by the preparer.

² XBRL US Data Quality Committee: <https://xbrl.us/data-quality/center/committee/>

³ XBRL US Data Quality error count charts: <https://xbrl.us/data-quality/filing-results/dqc-results/>



Elements that should not be reported with negative values.
 Documentation includes a list of elements tested.

Negative Values was initially approved by the DQC **November, 2015**.

Require XBRL Tagging of the Prospectus

We support the Commission’s proposal that the fund prospectus be tagged using XBRL. The data required to be tagged, including the Fee Table; Senior Securities Table; Investment Objectives and Policies; Risk Factors; Share Price Data; and Capital Stock, Long-Term Debt, and Other Securities, are all complex financial data which would be more functional and usable in the XBRL structured format.

Proposal questions: *Should we make the submission of structured data in the Inline XBRL format mandatory for affected funds, as proposed? Should the requirements for affected funds generally mirror the recently-adopted Inline XBRL requirements for mutual funds and ETFs, as proposed?*

We agree with the Commission proposal as written, that the Inline XBRL requirement should be mandatory for all affected funds. If the requirement was not mandatory, software vendors would not invest in adapting their tools to work with issuers as there may not be limited adoption among preparers. This would raise the cost of structured data preparation for those issuers that opt to prepare their data in structured format.

Proposal questions: *Should we also require a seasoned fund filing a short-form registration statement on Form N-2 to tag information appearing in Exchange Act reports, such as those on Forms N-CSR, 10-Q, 10-K, or 8-K, if that information is required to be tagged in the fund’s prospectus? Why or why not?*

Yes, this data should be prepared consistently with other data reported by funds to ensure economies of scale and limit fragmentation in the marketplace.

Proposal questions: *Would affected funds encounter any technical or other difficulties associated with the proposed requirement to tag certain information that appears in forms of prospectus or Exchange Act reports, and if so, how could we resolve such difficulties?*

We do not believe that affected funds will encounter any particular technical difficulties in complying with the rule as proposed.

Proposal questions: *As proposed, should affected funds be required to use Inline XBRL format to tag each of the following sections of the prospectus: Fee Table; Senior Securities Table; Investment Objectives and Policies; Risk Factors; Share Price Data; and Capital Stock, Long-Term Debt, and Other Securities? Should other or different information that affected funds disclose on Form N-2 be required to be tagged using Inline XBRL? For example, should we require tagging of information about asset coverage ratios?*

Any financial data that is required to be reported should be tagged using Inline XBRL. If the data is reported to meet the needs of the data consumer, then it should be available in a format that is easily accessible and machine-readable - that format is XBRL.

Proposal questions: *Should any category of affected fund (for example, affected funds that would not be eligible to file a short-form registration statement) be exempt from the proposed Inline XBRL requirements? If so, which ones, and why?*

There should be no exemption for certain types of funds. All issuers should be required to report in the same way. If a subset of issuers is excluded from XBRL preparation requirements, data preparation providers and analytical tool providers will not be inclined to develop comprehensive, competitive solutions, resulting in higher costs for both preparers and users of data.

Proposal questions: *To what extent do investors and other market participants find information that is available in a structured format useful for analytical purposes? Is information that is narrative, rather than numerical, useful as an analytical tool?*

The investment community is one of the key beneficiaries of the availability of machine-readable (XBRL) data. The Council of Institutional Investors (CII) stated in their July 19, 2018 letter⁴ in response to the SEC Draft Strategic Plan 2018-2022, that Inline XBRL is an “...improvement in the functionality of EDGAR [that] makes disclosure documents more valuable and cost-effective for a broad range of users, including market analysts and data vendors that conduct research on smaller companies.”

⁴ Council of Institutional Investors:
[https://www.cii.org/files/July%2019%202018%20SEC%20Strategic%20Plan%20final%20\(003\).pdf](https://www.cii.org/files/July%2019%202018%20SEC%20Strategic%20Plan%20final%20(003).pdf)

Narrative data contained in financial reports can also be very useful for analytical purposes. For example, a preparer of SEC filings may wish to review accounting policies or business combination disclosure policies prepared by other companies in the same industry. This type of comparison can be performed with ease because of the availability of narrative text blocks in the US GAAP Financial Reporting Taxonomy.

Proposal questions: *We are proposing to require BDCs to submit the information from their financial statements using Inline XBRL format. We also are proposing that all affected funds—BDCs and registered CEFs—tag certain prospectus disclosure items using Inline XBRL. Should we also require registered CEFs to submit the information from their financial statements to the Commission using Inline XBRL format? If so, should we require registered CEFs to tag all of this information, or just information that is not required by Forms N-PORT or N-CEN, such as certain information from a fund's Statement of Operations or Financial Highlights?*

CEFs are required to file on forms N-CEN and NPORT in XML format. These forms contain financial data and should be in XBRL format. To reduce the cost of compliance, the Commission should require CEFs to file all data following the same XBRL data standard.

Require Form 24F-2 to be prepared in XBRL format

Proposal questions: *Should we require, as proposed, that filings on Form 24F-2 be submitted in a structured format? Why or why not? Should the required format, as proposed, be XML? Why or why not? If another format would be more appropriate, which format and why?*

Form 24F-2, the Annual Notice of Securities Sold, contains financial data to support the calculation of the registration fee as shown in the diagram below for BNY Mellon's Form 24F-2, filed June 6, 2019.

While we agree with the Commission's proposal that this data be reported in structured format, we strongly recommend that the data be reported in XBRL, not using a custom XML schema. Creating yet another custom XML schema for the reporting of financial data will add unneeded costs into the marketplace for issuers and for data consumers. Funds preparing the Form 24F-2 could easily leverage the same XBRL preparation tools that they will already be using to prepare other filings in XBRL format.

BNY Mellon Short-Intermediate Municipal Bond Fund - Class I

5. Calculation of registration fee:

| | |
|---|------------------|
| (I) Aggregate sale price of securities sold during the fiscal year pursuant to section 24(f): | \$ 16,178,950 |
| (ii) Aggregate price of securities redeemed or repurchased during the fiscal year: | \$ (50,729,082) |
| (iii) Aggregate price of securities redeemed or repurchased during any PRIOR fiscal year ending no earlier than October 11, 1995 that were not previously used to reduce registration fees payable to the Commission: | \$ (51,989,672) |
| (iv) Total available redemption credits [add Items 5(ii) and 5(iii)]: | \$ (102,718,754) |
| (v) Net Sales - if Item 5(I) is greater than Item 5(iv) [subtract Item 5(iv) from Item 5(i)]: | \$0 |
| (vi) Redemption credits available for use in future years -- if Item 5(i) is less than Item 5(iv) [subtract Item 5(iv) from Item 5(I)]: | \$ (86,539,804) |
| (vii) Multiplier for determining registration fee (See Instruction C.9): | x .0001212 |
| (viii) Registration fee due (multiply Item 5(v) by Item 5(vii) (enter "0" if no fee is due): | = \$0 |

Proposal questions: *Should the requirement to submit filings on Form 24F-2 in a structured data format apply to certain 24F-2 filers and not to others?*

All funds that are required to report on Form 24F-2 should be required to report in the same format. Establishing different reporting and formatting requirements for different funds of the same type will needlessly fragment the market and increase costs for the entire supply chain.

Proposal questions: *Should the Commission make available a web-based fillable form for preparing submissions on Form 24F-2? Why or why not? Would such a tool be useful for filers?*

Manual data entry is not an appropriate method to submit data because it is labor-intensive, and prone to error and time delays.

Cost Estimates

Proposal questions: *We seek information that would help us quantify or otherwise qualitatively assess the benefits of the proposed rules. Please provide any data, studies, or other evidence that would allow us to quantify some or all of the benefits. Are there any other benefits from the proposed rules?*

We agree with the Commission’s assessment of the benefits of the proposed rules pertaining to requiring use of the XBRL standard. Financial data from BDCs in machine-readable format is significantly more useful and actionable than data in unstructured format because it is more timely, less prone to error because it can be validated, and more easily processed and consumed, which lowers the cost of analysis. These benefits will have a positive impact on all members of the supply chain from preparers to data users.

Proposal questions: *We seek information that would help us quantify compliance and other costs resulting from the proposed rules. Please provide any data, studies, or other evidence that would allow us to quantify some or all of the costs. Are there any other potential costs of the proposed rules?*

The AICPA and XBRL US conducted a study⁵ in 2014, and again in 2017, to evaluate the cost of XBRL preparation for small reporting companies. That study found that the annual cost of preparation averaged \$10,000 in 2014; the average annual cost declined to \$5,500 in 2017.

Separately, the European Securities Markets Authority (ESMA) estimated the cost of filing using Inline XBRL in its own study⁶, noting that in-house preparation would average 8,200 euros (\$9,300) for the first filing, 2,400 euros (\$2,700) for each subsequent filing. In the case of outsourcing, costs were estimated to average around 13,000 euros (\$14,700) for the first filing, and 4,600 euros (\$5,200) for each subsequent filing.

Based on ten years of experience with XBRL tagging in the marketplace, once an XBRL process is in place for a reporting entity, the cost of preparation declines. Because XBRL is a mature, widely used data standard, there are many tools and a greater level of expertise available today than there were in 2009 when public companies were first required to report in XBRL.

Proposal questions: *Are our estimates of the compliance costs of requiring registered investment companies that file Form 24F-2 to file it in an XML format reasonable? Are there any other types of costs that should be considered?*

The Commission should consider the costs incurred by requiring a new custom XML schema which is proposed for entities submitting Form 24F-2. This will require:

- The Commission to create a new XML schema
- Software providers supporting funds will need to create new tools to prepare the 24F-2 data using the new custom XML schema. These costs will be passed on to the filing entity
- Data and analytical tool providers will need to create new applications to extract the data. These costs will be passed on to data consumers

Proposal questions: *Are the current burden estimates associated with the requirement to submit financial statements and notes in an XBRL still accurate? Have the burdens of preparing this information changed over time, particularly for smaller reporting companies?*

As noted earlier, the AICPA cost study indicates that the cost of XBRL preparation has declined 45% for small reporting companies.

⁵ AICPA/XBRL US Cost Study:

<https://www.aicpa.org/content/dam/aicpa/interestareas/frc/accountingfinancialreporting/xbrl/downloadabledocuments/xbrl-costs-for-small-companies.pdf>

⁶ Q&A on the RTS on European Electronic Single Format (ESEF):

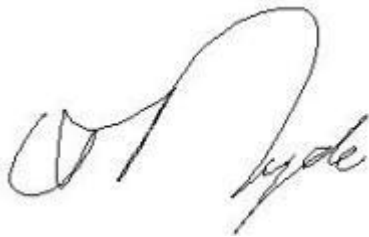
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190529-faq-rts-esfs_en.pdf

Conclusion

We applaud the efforts of the Commission to move the market towards the use of a single, cost-effective financial data standard. While there will be an initial learning curve for reporting entities, data standards are a long-term solution to improving data consistency and accuracy, reducing costs for preparers and users of data, and increasing efficiencies across the supply chain.

Please contact me if you have questions about our feedback or would like to discuss this further. I can be contacted at (917) 582-6159 or email Campbell.Pryde@xbrl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Campbell Pryde". The signature is fluid and cursive, with a large initial "C" and "P".

Campbell Pryde
President and CEO