

August 10, 2020



David Bottom
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U.S. Securities and Exchange Commission
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Dear Mr. Bottom:

RE: Collection of Information of Form N-CEN under the Investment Company Act of 1940

Thank you for the opportunity to comment on the Securities and Exchange Commission's collection of information of Form N-CEN under the Investment Company Act of 1940.

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). Our members include accounting firms, public companies, software, data, and service providers, as well as other nonprofits and standards organizations. This letter was prepared with input from XBRL filing agents and software providers, and is based on their experience helping investment companies prepare and submit their filings.

In June 2018, the SEC finalized the Investment Company Reporting Modernization ruling, which requires investment companies to report Forms N-CEN and N-PORT using a custom XML schema. When the rule was first proposed in 2015, XBRL US submitted a comment letter supporting the use of structured data, but advocating for the use of the XBRL standard, rather than a custom XML schema. We made that recommendation for the following reasons:

- Much of the data reported on Form N-PORT is financial in nature. Creating a custom XML schema to report financial data about monthly portfolio holdings required building a structure to consistently report complex financial information so that it is machine-readable. That structure, to unambiguously represent data types, time period, reporting entity and other information necessary to properly understand financial data, is already built into the XBRL standard.
- While Form N-CEN contains limited financial data, it would be more efficient for investment companies that need to prepare and submit both forms N-CEN and N-PORT, to be able to do so using the same data standard, therefore if they were required to report N-PORT in XBRL, they should also report N-CEN in XBRL.

- Similarly, users of financial data from investment companies should be able to use the same data extraction and analysis tools for every dataset from the same kind of companies. With custom XML schemas, they must build extraction mechanisms for each custom schema.

At this time however, we do not believe that the Commission should revise the data collection method currently in place for Form N-CEN. Vendors and issuers have already established processes to accommodate the data to the custom XML schema established by the SEC, and there is little financial data reported on Form N-CEN. Furthermore, variable product funds have substantial work ahead to transition to XBRL for certain financial documents needed to be reported.

We do, however, recommend the following actions at such time that the Commission revisits the topic of data collection of Form N-PORT:

- Transition N-PORT reporting to XBRL instead of the custom XML schema in place today. The Monthly Portfolio Investments Report contains a large volume of financial data which could be easily and more efficiently accommodated in XBRL. XBRL would make this information much easier to extract and analyze as it would not require data providers to build custom extraction tools. Open source and commercially available XBRL tools used today for corporate XBRL data could be leveraged for investment company data as well.
- For data reported on Form N-CEN, as a short-term solution, the Commission could consider creating a utility to convert the XML data into XBRL format, so that data users could access all investment company data using the same data extraction tools. Long term, the Commission could consider transitioning investment companies to preparing N-CEN data in XBRL as well.

Again, thank you for the opportunity to comment on data collection of Form N-CEN. I would be happy to respond to any questions you may have about our recommendation or to simply discuss this approach further. Please contact me with any questions. I can be reached at campbell.pryde@xbrl.us or by phone at (917)582-6159.

Regards,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', written in a cursive style.

Campbell Pryde,
President and CEO