

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
Voluntary XBRL-Related Documents

A. JUSTIFICATION

1. Necessity for the Information Collection

The Commission has been evaluating the use of interactive data tagging as a tool to improve the timeliness and accessibility of the information contained in electronic filings with the Commission under the federal securities laws.¹ As part of our evaluation of the potential of interactive data tagging technology, the Commission adopted rules in 2005 instituting a program that permitted registered investment companies (“funds”) to submit on a voluntary basis specified financial statement disclosure tagged in eXtensible Business Reporting Language (“XBRL”) format as an exhibit to certain filings on the Commission’s Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”). This voluntary program permits any fund to participate merely by submitting a tagged exhibit in the required manner. These exhibits are publicly available but are considered furnished rather than filed. Under the voluntary program, funds are permitted to submit financial statement and portfolio holdings information.

¹ The Commission has historically acted to modernize the manner in which information is filed with the Commission and disclosed to the public in order to keep up with changes in the industry and technology. *See* Investment Company Reporting Modernization, Investment Company Act Release No. 31610 (May 20, 2015), *available at* <http://www.sec.gov/rules/proposed/2015/33-9776.pdf>, at section I.A. The Commission’s disclosure and reporting modernization efforts have included the evaluation (and voluntary or required use by investment companies) of data tagging. Data tagging uses standard definitions (or data tags) to translate text-based information into data that is interactive, that is, data that can be retrieved, searched, and analyzed through automated means. Tags are standardized through the development of taxonomies, which are essentially data dictionaries that describe individual items of information and mathematical and definitional relationships among the items.

2. Purpose of the Information Collection

The purpose of the collection of information is to help evaluate the usefulness of data tagging and XBRL to registrants, investors, the Commission, and the marketplace.

3. Role of Improved Information Technology

The Commission's EDGAR system automates the filing, processing, and dissemination of full disclosure filings. The automation has increased the speed, accuracy, and availability of information, generating benefits to investors and financial markets. Responses under the collection of information are submitted to the Commission electronically on EDGAR in XBRL format.

4. Duplication

The Commission periodically evaluates rule- and form-based reporting and recordkeeping requirements for duplication and reevaluates these requirements whenever it proposes a rule or form, or a change in either. The collection of information permits funds to submit, in interactive data format, financial information that is already required to be submitted to the Commission in traditional format. When the information is in traditional format, it cannot be used as effectively as when in an interactive data format that a variety of software applications can recognize and process. The submission of data in an interactive data format helps make financial information easier for investors to analyze, and also assists issuers in automating regulatory filings and business information processing.

5. Effect on Small Entities

The voluntary program may have an impact on small entities that choose to participate. The voluntary program does not distinguish between small entities and other participants. Given that the reporting program is voluntary, only entities with sufficient resources would be likely to

elect to participate. The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

6. Consequences of not Conducting Collection

The program is voluntary.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

This collection is not inconsistent with 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

The Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the fund industry and through public conferences, meetings, and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The Commission requested public comment on the collection of information requirements in the voluntary interactive data program before it submitted this request for extension and approval to the Office of Management and Budget. The Commission received no comments in response to its request.

9. Payment or Gift

No payment or gift to respondents was provided.

10. Confidentiality

No assurance of confidentiality was provided.

11. Sensitive Questions

No questions of a sensitive nature are involved.

12. Burden of Information Collection

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act of 1995² and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Participation in the program is voluntary. Submissions under the program will not be kept confidential.

We estimate that no funds participate in the voluntary program each year. This information collection, therefore, imposes no hour burden; however, we are requesting a burden of one hour for administrative purposes.

13. Cost to Respondents

Cost burden is the cost of services purchased to prepare and update disclosure under the voluntary interactive data program, such as for the services of independent auditors, outside counsel, and the costs associated with purchasing technology or other components used in generating, maintaining, and disclosing or providing the information. We estimate that no funds participate in the voluntary program each year. This information collection, therefore, imposes no cost burden.

14. Costs to the Federal Government

The annual cost of reviewing and processing registration statements, post-effective amendments, proxy statements, shareholder reports, and other filings of investment companies amounted to approximately \$19.2 million in fiscal year 2014, based on the Commission's computation of the value of staff time devoted to this activity and related overhead. However, as discussed above, we estimate that no funds participate in the voluntary program each year, so

² 44 U.S.C. 3501 *et seq.*

none of the estimated costs to the federal government would be attributable to the voluntary program.

15. Changes in Burden

This information collection imposes no hour or cost burdens; however, we are requesting a burden of one hour for administrative purposes. These hour and cost estimates have not changed since the last approval.

16. Information Collections Planned for Statistical Purposes

The results of any information collected will not be published.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to not display the expiration date for OMB approval.

18. Exceptions to Certification Statement

The Commission is not seeking an exception to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of information will not employ statistical methods.