August 16, 2022

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Dear Ms. Countryman:

RE: Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices, File No. S7-17-22

Thank you for the opportunity to comment on the Securities and Exchange Commission (SEC) proposal on Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices. 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. We support the objective of the proposal to require funds to provide disclosures regarding ESG strategies; and furthermore, to tag these disclosures in Inline XBRL format. Disclosure of this information in machine-readable (XBRL) format, will benefit investors, the Commission, and other stakeholders by enabling easier comparison of funds, and tracking of fund activity over time.

XBRL is a free and open data standard widely used in the United States, and in over 200 implementations worldwide, for reporting by public and private companies, as well as government agencies. This letter responds to specific questions raised in the proposal.

SEC proposal question 128. Should any of the proposed disclosure items be excepted from the proposed Inline XBRL requirement? What would be the effects on data quality and usability to investors and other data users with excepting such disclosure items from the requirement to submit data in Inline XBRL?

We support providing any new disclosures in structured data (XBRL) format. If the data reported is important to data consumers, it should all be easily accessible in the same machine-readable format.

SEC proposal question 129. Should we require or permit funds to use a different structured data language to tag the proposed disclosures? If so, what structured data language should we require or permit, and why?

We agree with the proposal, as written, to require all funds to use the Inline XBRL format. Many investment management companies today already prepare at least some portion of their disclosures using Inline XBRL, therefore it will be a straightforward process to add additional disclosures in that same format, using the same applications they already use. Similarly, data users, including investors, the Commission, and other researchers, are also accustomed to using data prepared in XBRL. Opting for a different data standard would vastly increase the cost of report preparation and analysis.

The XBRL standard is based on a single data model, embodied in the "XBRL taxonomy." This approach ensures that regulators can make changes in requirements efficiently, by making one change in the taxonomy that is then referenced by the tools used by issuers to prepare their reports, and by the tools used by consumers to extract and analyze the data. ESG reporting is unfamiliar territory and requirements are likely to change over time; the ability of the Commission to make changes easily is particularly important in this reporting domain.

The alternative to XBRL would be to create a custom XML schema. Doing so would be recreating what is already available in the XBRL standard. An XML schema would impose additional burdens on issuers, data users, and the Commission.

SEC proposal question 130. What costs or other burdens (e.g., related to personnel, systems, operations, compliance, etc.) would the proposed Inline XBRL requirements impose on funds? Please provide quantitative estimates to the extent available.

Funds that already provide disclosures in Inline XBRL format will have minimal change to their current process. Those that do not report in Inline XBRL, such as Unit Investment Trusts (UIT) will need to identify the appropriate applications to use and may need additional time to move up the learning curve.

SEC proposal question 131. How long is it likely to take for vendors and filers to develop solutions for tagging the disclosure required by our proposed amendments?

Most providers that work with investment management companies are already able to prepare Inline XBRL filings. They will be able to adapt their applications once they have received technical and rule-related guidance and have obtained copies of the newly required taxonomy elements. We strongly recommend making an EDGAR Beta testing environment available so that vendors can prepare and submit test filings prior to the initial compliance date and work out any issues in advance. We suggest allowing early testing 12-15 months prior to the first mandatory compliance date.

SEC proposal question 132. Are any other amendments necessary or appropriate to require the submission of the proposed information required to be submitted in Inline XBRL? What changes should we make and why?

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We agree with the approach laid out in the current SEC proposal.

SEC proposal question 133. To what extent do investors and other market participants find information that is available in Inline XBRL useful for analytical purposes? Is information that is narrative, rather than numerical, useful content for analytical tools?

Both quantitative and qualitative disclosures are rendered more valuable to investors and other stakeholders when in structured, machine-readable format. Corporate filers today are required to XBRL-tag footnote disclosures as well as their own risk factors. The Inline XBRL standard is well-suited to narratives that may contain text and even tables of data. Text information that is machine-readable gives data users the ability to extract disclosures quickly and efficiently for multiple entities for comparative purposes, or to extract disclosures for a single entity over time to evaluate how policies have changed. Tagging these narrative disclosures is beneficial to investors and the public market as the data is then easily comparable across peers and sectors.

Providing either narrative or quantitative disclosures in HTML or text format would limit their usefulness, requiring investors, the Commission and other market participants to manually read paper-based documents to locate and extract information needed. Data in machine-readable format, either numeric or textual, allows investors and others to quickly extract important disclosures, policies, and even complete tables automatically, across multiple companies and time periods.

Requiring disclosures in Inline XBRL will ensure that this data can be commingled with other fund company data because much of that data is already being reported in XBRL format. Data and analytics providers will be able to ingest narrative disclosures in the same way they ingest financial data from fund companies.

SEC proposal question 134. Are there any funds, such as smaller funds, that we should except from the Inline XBRL requirements? Should we, as proposed, apply the Inline XBRL requirements to UITs?
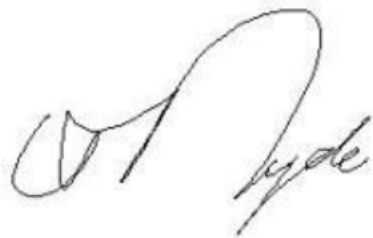
Funds should be required to submit their ESG disclosures in machine-readable format to ensure the ability to conduct timely, consistent comparisons across funds, and many funds prepare their financials in XBRL today. The first tagging compliance for Closed End Funds (including BDCs) started August 1, 2022. That provides an expanding group of funds that will be tagging disclosures across documents. Even though BDCs function like corporate issuers, CEFs do file 1940 Act documents, which supports the case for expanding XBRL tagging.

Smaller funds may have more limited resources however, therefore the Commission may wish to adopt a phased approach to give smaller funds more time to make the transition. UITs may also need additional time, given that they are not currently providing information in structured format. The SEC has other proposals pending that would require UITs to prepare certain data in structured format, therefore it makes sense to include them in this proposal as well.

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The Commission notes in the proposal that XML is currently used for Form N-CEN and certain other reporting. Vendors and registrants have already established a process to manage this form preparation in XML and it would be burdensome to switch to another format at this stage. In the interest of limiting the burden of new reporting changes, we support maintaining the XML format for these forms.

We support the proposal as outlined. We appreciate the opportunity to provide input to the Commission's proposal. Please feel free to contact me if you have questions concerning our responses or would like to discuss further. I can be reached at ████████████ or ████████████████

Respectfully,

Campbell Pryde,
President and CEO

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