

# SEC Division of Investment Management Provides Updates to the Investment Company Reporting Modernization Frequently Asked Questions

Article By:

Jillian L. Bosmann

Gloria Y. Liu

On November 14, 2018, the Staff of the Securities and Exchange Commission (SEC) Division of Investment Management updated its frequently asked questions (FAQs) on its fund reporting rules relating to the investment company reporting modernization reforms adopted in October 2016. The Staff regularly updates the FAQs to address additional questions. The recently released questions and responses address issues within the four categories of Compliance Dates and General Filing Obligations, Form N-PORT, Regulation S-X and Form N-CEN.

Importantly, the FAQs clarified items in Form N-PORT by explaining (i) whether a fund may report monthly returns without deducting sales loads and redemption fees, (ii) whether a fund must continue to file reports if a registrant or series is terminated, and (iii) whether a fund with an effective registration statement without publicly offered shares must file Form N-PORT. The Staff also added information to address how funds should calculate the disclosures needed for a derivative on a non-public index or custom basket of investments to comply with Article 12 of Regulation S-X. Finally, the Staff released questions and answers regarding Form N-CEN related to (i) fund liquidity risk management programs, (ii) the use of a new SEC filing tool, and (iii) reporting on the termination of a registrant or series. These and other clarifications are discussed below.

## Compliance Dates and General Filing Obligations

Issue	New SEC Guidance	
	Form N-CEN (Items C.20 and E.5)	The 2 amer C.20 regis interf (whic Kind Dece respo

		that, same net a most  The S that f inclu CEN tems Dece
--	--	---

Form N-PORT, Regulation S-X and Form N-CEN

Form N-PORT

Issue	New SEC Guidance	
	Monthly Total Returns Reports (Item B.5.a)	tem return Calcu both dedu charg meth loads repor appro  The S repor feder answ loads of rep that t on pe witho this s
	Filing Obligations for Terminated Registrants or Series	A reg other inves s no SEC circu to the
	Filing Obligations for a New Fund with an Effective Registration Statement	A fun share requi that p requi

\_\_\_\_\_ than \_\_\_\_\_

## Regulation S-X

Issue	New SEC Guidance	When the Investment is Not a Security
	Funds with Index or Basket of Investments as Underlying Asset (Article 12)	When the investment is a security, the issuer must disclose the percentage of the fund's assets that are invested in the security. The fund must also disclose the identity of the security when the investment is a security. The fund must also disclose the identity of the security when the investment is a security.
	Derivatives with Index or Basket of Investments as Underlying Asset (Article 12)	Article 12 of the Investment Company Act of 1940 requires that a fund disclose the identity of the security when the investment is a security. The fund must also disclose the identity of the security when the investment is a security.

## Form N-CEN

Issue	New SEC Guidance	
	Form N-CEN Filing Tool	To al will p EDG N-CE input

**Filing Obligations for Terminated Registrants****Filing Obligations for Terminated Series of a Multi-Series Registrant (Items B.6.a.i, B.6.a.ii, C.2.a and C.2.c)****Practice Points and Tips**

Service providers should consistently review their capabilities and evaluate changes needed to ensure compliance with the newly added information in the FAQ regarding Forms N-PORT and N-CEN, as well as the amendments to Regulation S-X. In addition, fund directors should be notified of regulatory updates and how they will influence funds and their reporting requirements. Both service providers and fund directors may utilize the FAQs to interpret these new forms and amendments.

© 2025 Faegre Drinker Biddle & Reath LLP. All Rights Reserved.

National Law Review, Volume VIII, Number 325

Source URL: <https://natlawreview.com/article/sec-division-investment-management-provides-updates-to-investment-company-reporting>