

October 24, 2008

Matthew P. Reed
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

RE: File Number 4-567 - 21st Century Disclosure Initiative

Dear Mr. Reed:

The American Institute of Certified Public Accountants (AICPA) is pleased to comment on the Securities and Exchange Commission's (SEC or Commission) *21st Century Disclosure Initiative*. The AICPA is the largest professional association of certified public accountants in the United States, with approximately 350,000 members in business, industry, public practice, government and education.

The AICPA applauds and supports the SEC's 21st Century Disclosure Initiative to modernize the disclosure system and improve transparency. The purpose of this letter is to provide our views, which may be useful during both the planning and adoption stages of the Initiative.

The goal of the 21st Century Disclosure Initiative is to modernize the disclosure system so that the information the Commission requires from operating and investment companies is more useful and transparent to investors, the marketplace, and the Commission, all while harnessing the conveniences and efficiencies of technology. The AICPA recognizes the importance of providing relevant, timely and useful information to investors and has issued a paper ("White Paper") addressing these issues under the AICPA's Assurance Services Executive Committee entitled "*The Shifting Paradigm in Business Reporting and Assurance*." The White Paper analyzes the current state of business reporting and assurance, and identifies the key forces of change that are challenging the limitations of this current state. A path toward a model that better addresses the needs, challenges, and opportunities of the 21st century is also presented. The paper can be downloaded from the AICPA website at (http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/BRAAS/downloads/AICPA_ASEC_Whitepaper_Final_20082008April_2008.pdf)

Capable Technology

Capable technology already exists to meet the object of providing relevant and timely information to the market. Extensible Business Reporting Language ("XBRL"), which is utilized by many organizations around

the globe,¹ facilitates the collection and analysis of data and is a key enabler of a more efficient and transparent disclosure system. The standard XBRL format allows interoperability across all software platforms, which enables more efficient communication. As stated in the AICPA comment letter to the SEC on the rule proposal regarding the use of interactive data to improve financial reporting, a mandate that will require companies to provide XBRL information will drive sufficient investment in software and tools to enable the market to benefit fully from the use of XBRL through increased efficiency and data quality.

Relevant and Complete Content

As articulated in the AICPA White Paper, the first step in the path towards an enhanced reporting model is “to ensure that reported content—that is, the information upon which decisions are made—is relevant and complete.” Information that is not covered under US GAAP or IFRS accounting standards, but that provides an even deeper understanding of company performance (such as disclosures on intangible assets, key performance indicators and value drivers), is increasingly useful to both companies and consumers of business information, and is vital to providing enhanced transparency in the markets. In order to realize the full power and benefits of the XBRL format for reporting and consumption of financial, non-financial and other key data streams, it is first necessary to structure content so that it can be tagged and consumed in a way that is most meaningful to users. As a result, where they do not already exist, information frameworks containing explicit definitions and related references must be developed so that corresponding XBRL taxonomies can be created and data can be tagged.

Collaborative Approach

Leveraging transparent, market-based, collaborative processes will facilitate the development, maintenance and relevance of such frameworks and related taxonomies. The AICPA is a member of the Enhanced Business Reporting Consortium (EBRC) which is an independent, market-driven, non-profit collaboration focused on improving the quality, integrity, transparency and completeness of information used for decision-making in a cost effective and time efficient manner. The EBRC has developed a preliminary, overarching framework and taxonomy for the disclosure of relevant contextual factors related to business landscape, strategy, resources and processes, and performance. The EBRC is currently working to build out this framework by conducting a number of collaborative efforts to research and validate business metrics that are most important to investors, and by collaborating with international partners via the World Intellectual Capital Initiative (WICI) network to ensure that the framework and taxonomy are relevant internationally. This effort is just one example of how transparency can be enabled by leveraging technology through market collaboration around the development of data standards where appropriate, and, we respectfully suggest that the structuring of disclosure *content* should be a primary focus of the Initiative.

In Conclusion

¹ The Journal of Accountancy released an article demonstrating the global adoption of XBRL see <http://www.journalofaccountancy.com/Issues/2008/Oct/XBRLAroundTheWorld.htm>.

On behalf of the AICPA, thank you for the opportunity to comment on this Initiative. If you have any questions regarding the comments in this letter, please contact Amy Pawlicki at 212-596-6083, apawlicki@aicpa.org.

Respectfully submitted,

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AICPA