



CENTER FOR CAPITAL MARKETS
COMPETITIVENESS



Business
Roundtable™

May 29, 2015

Keith Higgins
Director, Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: The SEC's Disclosure Effectiveness Initiative – EDGAR Modernization Suggestions

Dear Mr. Higgins:

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness, and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of CPAs (AICPA).

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of over three million companies of every size, sector, and region, as well as local chambers and industry associations, and is dedicated to promoting, protecting, and defending America's free enterprise system.

Financial Executives International (FEI) is the leading advocate for the views of corporate financial management. Its more than 10,000 members hold policy-making positions as chief financial officers, treasurers and controllers at companies from every major industry. FEI enhances member professional development through peer networking, career management services, conferences, research and publications. Members participate in the activities of 74 chapters in the U.S. and a chapter in Japan. FEI is headquartered in Morristown, NJ, with a Government Affairs office in Washington, D.C.

Business Roundtable's (BRT) CEO members lead companies with \$7.2 trillion in annual revenues and nearly 16 million employees. BRT member companies comprise more than a quarter of the total market capitalization of U.S. stock markets and invest \$190 billion annually in research and development – equal to 70 percent of U.S. private R&D spending. BRT companies pay more than \$230 billion in dividends to shareholders and generate more than \$470 billion in sales for small and medium-sized businesses annually. BRT companies also make more than \$3 billion a year in charitable contributions.

The CAQ, U.S. Chamber of Commerce, FEI, and BRT, as representatives of key stakeholders in the U.S. capital markets, appreciate the opportunity to comment on the Disclosure Effectiveness Initiative. Our comments are specifically focused on the SEC's EDGAR Modernization initiative and recommendations that could incrementally improve EDGAR filing information on the SEC's website in the near-term, prior to implementation of other EDGAR enhancements and without SEC rulemaking. This letter directionally represents the observations of the CAQ, U.S. Chamber of Commerce, FEI, and BRT specifically on near-term EDGAR improvements, but not necessarily the views of any specific organization, individual, or CAQ Governing Board member, or views on the Disclosure Effectiveness Initiative or EDGAR Modernization initiative as a whole.

Earlier last year, the CAQ and several trade organizations, including U.S. Chamber of Commerce, FEI, and BRT, convened to discuss areas of common interest with respect to addressing the SEC's Disclosure Effectiveness Initiative. One of those areas of common interest was developing ways to improve the quality and access of filing information to users of the SEC's website. We developed a two-phase approach to our recommendations for near-term improvement to the filings area of the SEC website. The first phase focuses on consolidating and updating current search features by improving their visibility and organization. The second phase focuses on additional enhancements to EDGAR, which include improvements to the company search page, filings detail screen, output functionality, and interactive data functionality. Please see Appendix A to this cover letter for these detailed recommendations.

We believe that implementing these recommendations would only be an incremental first step in the SEC's EDGAR Modernization initiative. As the SEC continues in its EDGAR Modernization efforts, we encourage the SEC to engage with multiple stakeholders both within and outside of the SEC, and collaborate with the Office of Information Technology and the Division of Corporation Finance of the SEC to ensure that improvements address stakeholder needs.

In conclusion, the CAQ, U.S. Chamber of Commerce, FEI, and BRT support the SEC's efforts to improve the quality and effectiveness of disclosures and appreciate the opportunity to comment on near-term EDGAR improvements as part of these efforts. We would be pleased to discuss our comments or answer any questions that the SEC may have regarding the recommendations expressed in this letter and Appendix A. Going forward, we would be happy to continue the dialogue with the SEC on its Disclosure Effectiveness Initiative as well as the longer term EDGAR Modernization initiative.

Sincerely,



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Executive Director
Center for Audit Quality



Tom Quaadman
Vice President, U.S. Chamber
Center for Capital Markets Competitiveness



Paul Chase
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cc: SEC
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Luis A. Aguilar, Commissioner
Daniel M. Gallagher, Commissioner
Kara M. Stein, Commissioner
Michael S. Piwowar, Commissioner
James Schnurr, Chief Accountant, Office of the Chief Accountant

Appendix A - Suggested Near-Term Improvements to EDGAR

Phase 1: Consolidate and update current search features

Summary highlights for improved searching on www.sec.gov:

- Highlight existing search options more clearly for users from www.sec.gov main page.
- Organize and expand existing search tools and features to maximize benefit to users.
- Expand search documentation to allow full benefit of reorganized search tools.

SEC.gov already has several excellent search and notification tools and options for investors. Some users may not be familiar with the existing options that can be used to locate information. Our initial suggestions focus on simple changes that can now be made to existing search features by consolidating and enhancing existing options.

Basic Search Options (always expanded):

Image # 1

Note: **Image # 1** is a mock-up of the existing page found in <http://www.sec.gov/edgar/searchedgar/companysearch.html>. We have edited the screen shot to model our suggestion to show the entire available searching options for this page without having to click on 'More Options'. We suggest that the 'More Options' continue to be available, with the additional options to show in the merged search features as modeled in **Image #2**. We also encourage adding any clarifying language needed for fields on this page, i.e. changing the "State" field to "State of Residence" and adding a "State of Incorporation" field to add this search capability as well.

Appendix A - Suggested Near-Term Improvements to EDGAR

By clicking ‘More Options’ in the preceding screen shot, a combination of Full Text Search and Daily Filings by Type appears.

Image #2

The screenshot displays the EDGAR search interface with the following elements:

- Search For Text:** A text input field.
- In Form Type:** A dropdown menu set to "Form Type Series". Below it, a question asks "Which form series would you like to see?". A dropdown menu lists options: "10-K - Annual", "10-Q - Quarterly", "14 - Proxies, etc.", and "485 - Fund Prospectuses".
- Results Per Page:** A dropdown menu set to "10".
- Sort By:** A dropdown menu set to "Date (Latest First)".
- Use Stemming:** A checked checkbox.
- For:** Radio buttons for "Company Name:", "Central Index Key (CIK):", and "Standard Industrial Classification:". The "Standard Industrial Classification" dropdown is set to "All SICs".
- Which day would you like to analyze?:** A dropdown menu with options: "Most Recent (t)", "One business day prior (t-1)", "Two business days prior (t-2)", and "Three business days prior (t-3)".
- or search for a more specific date range:** A section with "Between These Dates:" and two date input fields labeled "Start Date:" and "End Date:", both with "mm/dd/yyyy" placeholders and calendar icons.
- Buttons:** "Search", "Reset", and "Save Search to Favorites".

Note: **Image #2** is a mock-up showing our suggested merged search features page. This portion would be viewed when the current page found in <http://www.sec.gov/edgar/searchedgar/companysearch.html> is expanded by clicking the ‘More Options’. These searches can currently be found in two separate locations:

- https://searchwww.sec.gov/EDGARFSCClient/jsp/EDGAR_MainAccess.jsp - the expanded ‘Advanced page’
- <http://www.sec.gov/edgar/searchedgar/currentevents.htm>

Additional Features:

- When typing in the company name in the search field (in **Image #1**), add the ability to have companies and their related ticker symbols appear, while the user is typing, to help narrow the search. This could also facilitate finding the “parent” company more easily.
- Retain full text search FAQ.
- Make each field header (e.g. Search for Text, Sort By: etc.) a link to the applicable area in the EDGAR Guide or Full Text FAQ for additional help with searches.
- Add “Save Search to Favorites” link/button to help users easily save customized searches.
 - One option could be to bookmark or quick link the search.
 - An alternate option may be to allow RSS feeds of the customized searches.
- Add Form Type Series to the “In Form Type: drop down (below All Form), and if Form Type Series is selected, display the “Which form series would you like to see?”

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- Add All Staff comment letters and company responses options to Form Type Series or expand “UPLOAD” and “CORRESP.”
- Add ability to select/search for more than one form type. (can use CTRL+click)
- Add in the ability to search by one or more item numbers. For example, when 8-K form type series, or 8-K, 8-K/A form types are selected, user can select either multiple 8-K item numbers using CTRL+click or no 8-K items (by leaving it blank), as shown in **Image #3** below.
 - In the search results, having the name of the 8-K item number show up in addition to the item number itself, i.e. “Item 2.06 Material Impairments,” would also be helpful.

Image #3

The screenshot displays the EDGAR search interface with the following elements:

- Search For Text:** A text input field.
- In Form Type:** A dropdown menu set to "All Forms".
- Results Per Page:** A dropdown menu set to "10".
- Which form series would you like to see?** A list of form types including "485 - Fund Prospectuses", "8-K - Change in Material Status" (highlighted), "S-8 - Registration of Securities", and "ALL - All forms".
- Sort By:** A dropdown menu set to "Date (Latest First)".
- For:** Radio buttons for "Company Name:", "Central Index Key (CIK):", and "Standard Industrial Classification: All SICs".
- Between These Dates:** A date range selector with "Start Date: mm/dd/yyyy" and "End Date: mm/dd/yyyy".
- OR**
- Which day would you like to analyze?** A dropdown menu with options: "Most Recent (t)", "One business day prior (t-1)", "Two business days prior (t-2)", and "Three business days prior (t-3)".
- Search by specific 8-K Item Number:** A list of 8-K items, with "1.01 Entry into a Material Definitive Agreement" highlighted. The list includes items 1.01 through 9.01.
- Buttons:** "Search" and "Reset" buttons at the bottom.

Note: **Image #3** is an additional mock-up from **Image #2** showing the ability to search by Item number when the Form Type 8-K is selected from either of the existing search engines (https://searchwww.sec.gov/EDGARFSCClient/jsp/EDGAR_MainAccess.jsp or <http://www.sec.gov/edgar/searchedgar/currentevents.htm>).

Add additional information under Guides

- Make the following link available under Guides with the heading “General Purpose Searches”: <http://www.sec.gov/edgar/quickedgar.htm>

Appendix A - Suggested Near-Term Improvements to EDGAR

Left Navigation updates:

- Remove Full Text (Past 4 Years) and Daily Filings by Type, after the consolidation:

Image #4



Note: **Image # 4** is a mock-up showing the updated links. The existing left navigation list can be currently found on these pages:

- <http://www.sec.gov/edgar/searchedgar/companysearch.html>
- <http://www.sec.gov/edgar/searchedgar/webusers.htm>
- <http://www.sec.gov/edgar/searchedgar/mutualsearch.html>
- <http://www.sec.gov/edgar/searchedgar/vinsurancesearch.html>
- <http://www.sec.gov/edgar/searchedgar/cik.htm>
- <http://www.sec.gov/edgar/searchedgar/ctorders.htm>

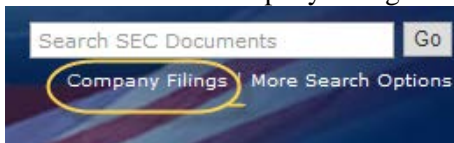
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SEC Subscription Service options:

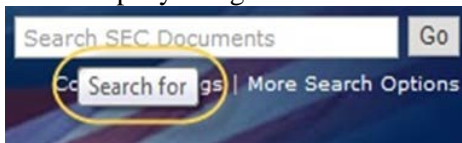
- The SEC.gov email subscriber service (“Stay Connected”) is a robust option for SEC press releases and rule progress information for investors and industry professionals to utilize. We suggest that the link and options be made more apparent from www.sec.gov, perhaps added to the left navigation area on the Basic/Advanced “Search” page.
 - We suggest highlighting the available options/information for email updates more prominently prior to sign-up. Currently, it is not immediately apparent what information the SEC will offer via email signup. We suggest moving from the “Stay Connected” area on the main home page to a section in a new area specific to searches and information and/or updates. Alternatively, adding more details to the e-mail signup area as well as hover text with more information would be helpful.

SEC Home Page Updates

- Rename the Company Filings link below the Search SEC Documents field. Rename this link “EDGAR Company Filings”. This is the same search option as the more prominent blue button, below, that reads “Search EDGAR for Company Filings.”



- Change the hover text in Search SEC Documents field to “Search the SEC site, this does not include EDGAR company filings”:



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Phase 2: Additional Improvements to EDGAR & Company Search Results:

Company Search Result page improvements

- When performing a company search, add ability for “parent” company to come up first in search results. Right now when you search for a company, you get a list of all company affiliates registered under Section 12(b) or (g) and the “parent” company may be far down on the list. The “parent” company could either be identified through a flag or xml tag in EDGAR, or alternatively, through the company ticker symbol (identified on the search page).
- Add ability to sort by Form Series (as added to the More Search area above).
 - This includes additional options for current, periodic, or transactional filings.
- Add a date range search option.
- Add an email or alert option for amendments based on file number, a specific form type, 8-K item number or specific filing for a company.
- Add ability to sort by Form Type and/or by Filing Date.
- Add available pages and a Last page option to the search results. Currently there are Prev and Next page options.
- Add the ability to group amendments related to their original filing. We realize this would involve updates to EDGAR and would not affect forms filed prior to an update to EDGAR.
- Add the ability to group CORRESP and DRSLTR (when applicable) and SEC staff comments related to a specific reply to a CORRESP or Registration Statement filing. This would show a more cohesive conversation as it relates to the filings.

Filing Detail Screen Improvements

- Registrants usually include a list of previously filed exhibits in periodic reports. However, it is challenging to find the exhibit that is referenced. The enhanced functionality should allow users to access all exhibits from one screen rather than have to go into individual filings. Also, a greater ability to use a search engine across the exhibits would be helpful.

We propose an enhancement to the EDGAR filing system, and/or EDGARLink Online application:

- Display a link to all exhibits included in the filing, even those incorporated by reference, on the Filing Detail page (sample Filing Detail page: <http://www.sec.gov/Archives/edgar/data/27419/000002741914000036/0000027419-14-000036-index.htm>)
 - To facilitate, create a behind-the-scenes repository on EDGAR (Exhibit Library) for exhibits to be incorporated by reference, with each exhibit creating a unique reference number (for tracking, e.g. CIK-Exhibit Number-Unique#, similar to an accession number), so it can be used in a future filing.
 - The repository can be manually updated by filers, on EDGAR, to update and replace exhibits. This would create a new version of that exhibit on EDGAR.
 - The repository would track/display:
 - CIK
 - Exhibit Number (sortable)
 - Unique Number (sortable)
 - Version Number (sortable)
 - Filed Date
 - Filing/Form Type submitted with (if any)
 - Existing filings would display a ‘new’ flag, on the Filing Detail screen, to indicate a newer version of that exhibit exists.

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- The version filed with the submission would be the most current version available at the time of filing.
- Filers can incorporate by reference ANY previously filed exhibit, from any Filer.
- If an exhibit is incorporated by reference, then the Unique Exhibit ID associated with the exhibit must be displayed on the Filing Detail Page (this could be a link to the filing history of the exhibit).
- The filing history of the exhibit would display:
 - CIK (linkable)
 - Exhibit Number
 - Version
 - Filed Date
 - Filing/Form Type associated (if any) (linkable)

We see this as a way to have the most recent information available to investors quickly and accurately.

For example:

A 10-Q filing shows the most recent Employee Agreement, incorporated by reference (which was previously filed on a S-1/A), in the exhibit list on the Filing Detail page.

If a future registration statement is filed and it amends the Employee Agreement, then a flag appears on the previously filed 10-Q (above), which was incorporating that exhibit by reference, to indicate a more current version exists.

The user is also able to click a link to view the most recent version of the Employee Agreement, in addition to the version that was filed with the 10-Q.

- When viewing specific documents, create an outline or a navigation panel (e.g., on the left side of the screen) to allow users to jump to different sections or exhibits within a filing instead of going back to table of contents or filing detail page. We note that some preparers do use hyperlinks in some of their filings to help facilitate navigating the document, but most do not.

Enhanced output functionality

- A functionality that will allow users to download financial information in MS Excel over a period of time.
- The ability to convert/download filings to Adobe and MS Word reformatted for printing and enhanced readability.

Enhanced functionality associated with interactive data

- Enhance the functionality associated with XBRL interactive data, including enhancements that would allow the user to:
 - Save XBRL output in excel
 - Identify tag extensions that were utilized
- The SEC recently announced the posting of structured data sets: <http://www.sec.gov/dera/data/financial-statement-data-sets.html#VKrCJCvF91A>

This information could be valuable to investors but may be too complex for nontechnical users to understand and apply/analyze. Excel or another spreadsheet format option would allow users to more easily compare financials.