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December 2, 2019

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

Dear Ms. Countryman:

RE: Update of Statistical Disclosures for Bank and Savings and Loan Registrants, File No. S7-02-17

We appreciate the opportunity to provide input to the Commission's proposal, *Update of Statistical Disclosures for Bank and Savings and Loan Registrants*. This proposal was initially addressed in the April 18, 2017 Request for Comment, from the Commission, on POSSIBLE CHANGES TO INDUSTRY GUIDE 3 (STATISTICAL DISCLOSURE BY BANK HOLDING COMPANIES). As we stated in a comment letter submitted to the Commission in 2017, we support the use of data standards for Industry Guide 3 data; and therefore strongly disagree with the current SEC proposal which does not call for this financial data to be rendered in structured, machine-readable format.

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 (a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies). XBRL US members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

The current proposal notes that the original goal of Guide 3 disclosures was to provide "a convenient reference to the statistical disclosures sought by the staff of the Division of Corporation Finance in registration statements and other disclosure documents filed by bank holding companies". The proposal goes on to note that Industry Guide 3 data was established to assist in evaluating the future earnings potential of bank holding companies, and to allow investors to compare bank holding companies (BHC) more easily.

Data reported through Guide 3 falls into seven areas: (1) distribution of assets, liabilities and stockholders' equity; interest rates and interest differential, (2) investment portfolios, (3) loan portfolios, (4) summary of loan loss experience, (5) deposits, (6) return on equity and assets, and (7) short-term borrowings.

Financial data that is used by regulators and investors to perform comparative analytics, and that serves as a convenient reference to gauge the financial health of BHCs, should be provided in structured, machine-readable format. Expanding the use of standards for the reporting of financial disclosures that are not yet required in structured, standardized format will vastly improve the usability and value of this information. Regardless of where a BHC chooses to report the data (for example, in the MD&A or in the financial statements), if the information is important to investors and other data users, it should be provided in a more usable (computer-readable) format, which has significant advantages over HTML. Data in structured format is more timely and actionable, and is significantly less expensive to process, reducing the cost of analysis, and thus, encouraging more robust and in-depth analysis.

Furthermore, market and regulatory changes that have occurred since the original Request for Comment was published more than two years ago, make an even more compelling argument to opt for structured data today. In fact, several of the 2017 commenters that advocated against the use of data standards, point to issues that no longer apply, or that can be addressed through research conducted since 2017.

Recent events since 2017 point to even greater support for standards

The Commission decision against the use of standards appears to have been based on the limited feedback it received from comments to the 2017 Request. Only six out of 33 comment letters received raised the issue of XBRL. Three were positive; three were negative. Of the latter, negative comments related to:

Concerns raised that Industry Guide 3 disclosures could be located in areas that are not tagged in XBRL.

BHCs can opt to place Guide 3 disclosures in non-financial sections of their submission. At the time of the writing of the comment, only data found in the financial statements or footnotes was required to be tagged in XBRL. Concerns were raised that if XBRL tagging was required, and if a bank reported the data in the financials, there would be inconsistencies, in that some banks would report in XBRL (if they post the data in their financials), and some banks would not (if the data was reported elsewhere).

[XBRL US response: Public companies today are required to use Inline XBRL outside of the financial statements.](#)

On March 20, 2019, the SEC mandated the use of Inline XBRL for cover page tagging in their rule, *FAST Act Modernization and Simplification of Regulation S-K*. This rule requires operating companies to perform tagging, for the first time, in sections of their filing outside of the financial statements, with a goal to "... improve the readability and navigability of disclosures". Data

reported in cover pages, such as ticker symbol, date, shares outstanding, state of incorporation, name, address, tax identification, phone numbers and official entity name, lends itself easily to XBRL tagging, and is often extracted from the cover page by data providers.

In 2017, when the initial Request for Comment about BHC Industry Guide 3 was published, public companies were limited to preparing XBRL in their financial statements. With the FAST Act for cover page tagging, companies have already begun tagging data in XBRL outside of the financial statements. Logically, tagging Industry Guide 3 reported data in XBRL, regardless of the location of that data, would improve the value of the data, and would not require a significant change in process for public companies.

We recommend requiring BHCs to tag Industry Guide 3 data in XBRL, regardless of location. This would ensure consistency of availability across all BHCs.

Concerns were raised that the cost of XBRL preparation for issuers would outweigh the benefit to regulators and investors.

XBRL US response: Pricing study points to significant decline in costs for filers.

Costs for XBRL preparation have declined, and have been documented in a pricing study conducted by the AICPA and XBRL US that was published after the 2017 Request for Comment period closed. The study¹ was a follow up to an earlier 2014 study that analyzed the full annual cost of XBRL preparation for over 1,000 smaller reporting companies. The 2018 study found that the cost of XBRL preparation had declined 45% from 2014 to 2017; the average cost of a full year of XBRL preparation in 2017 was less than \$5,500. SEC filers will be able to use the same tools and follow the same process that they do today in XBRL preparation, and we do not believe that the additional tags required for Industry Guide 3 disclosures will pose a significant burden.

Concerns were noted about the potential cost to the SEC of building new data standards to meet Industry Guide 3 data requirements.

XBRL US response: Minimal cost to create new elements in the US GAAP Taxonomy.

The US GAAP Financial Reporting Taxonomy already contains many of the elements that would be needed to report Industry Guide 3 data. The positive impact on users of the data, including regulators, would be significant, far outweighing the cost of revising the taxonomy to accommodate Guide 3. Because the data would be in machine-readable format, it could be easily extracted and consumed, lowering the cost of analysis, and making it easier to compare reporting entities.

¹ AICPA/XBRL US: XBRL costs for small reporting companies has declined 45% since 2014:

<https://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/XBRL/DownloadableDocuments/XBRL%20Costs%20for%20Small%20Companies.pdf>

More reasons for structured data

Specific issues raised by commenters in 2017 have been largely addressed by regulatory and marketplace changes. Below we note other trends that support the argument for standardizing Industry 3 disclosures.

Inline XBRL would aid in highlighting Guide 3 data.

On June 28, 2018, the SEC mandated the use of Inline XBRL which assists data users because it highlights structured data in filings, and provides greater clarity about the meaning of reported values. Reporting Industry Guide 3 data in Inline XBRL would allow it to be easily extracted and used, and would also enhance the ability of data consumers to understand and read the data. We recommend that Inline XBRL be used for Industry Guide 3 data because it is already supported in the marketplace for other required disclosures and would require minimal changes in process for issuers.

More reporting entities are providing data in structured format.

In 2018, XBRL was adopted by the U.S. Federal Energy Regulatory Commission (FERC) for reporting by public utilities; and by the state of Florida, for local government reporting. Taxonomies are being developed for those programs today.

XBRL today is widely used around the world for different types of implementations and in different regions as noted in the two tables below, courtesy of XBRL International.

Types of Implementations				
Financial Regulators	Business Registrars	Capital Markets (public companies)	Tax Regulator	Other
59	15	25	9	13

The European Securities Markets Authority (ESMA) has mandated the use of Inline XBRL for public companies in the U.K. and in every EU country. These companies are required to begin reporting their financials in Inline XBRL format, using the IFRS Taxonomy, starting in 2020. At that time, an additional 28 EU markets will come online so that the 25 figure noted on the table above, will increase to 53.

Regional Breakdown of XBRL Implementations			
Asia/Oceania	Europe	Africa	Americas
37	67	3	12

Specific countries with XBRL implementations include:

- public company reporting: South Korea, Mexico, Peru, Colombia, Chile, Israel, China, Japan, Taiwan, Canada, United Arab Emirates, Singapore
- private company reporting: the UK, India, Denmark, South Korea, Italy, Belgium, Germany
- banks: Peru, Panama, Chile, Belgium, France, Spain
- government reporting: the Netherlands, Australia.

The path forward

Bank Industry Guide 3 data could be phased in for BHCs in the same manner as the phasing of Inline XBRL today with large accelerated filers first, followed by accelerated filers, then all other filers.

The learning curve for BHCs will be short, given the experience they already have in preparing XBRL-formatted documents. Data standards are a long-term solution to improving data consistency and accuracy, reducing costs for preparers and users of data, and increasing efficiencies across the supply chain. Standardizing Guide 3 data is an important component to improving readability of the data and enabling greater comparability.

I am available if you have questions concerning our recommendations or would like to discuss further. You can reach me at [REDACTED] or by email [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read "Campbell Pryde". The signature is fluid and cursive, with the first name "Campbell" written in a larger, more prominent script than the last name "Pryde".

Campbell Pryde
President and CEO