16 May 2017

Mr Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
United States of America

Dear Mr Fields

Inline XBRL Filing of Tagged Data, File No. S7–03-17

On behalf of XBRL International I am writing to provide our comments about Commission proposals to move towards Inline XBRL based filings. We offer our strong support for a move that will help ensure that financial reporting in the United States continues to provide relevant and decision-useful information to investors, regulators and policy makers. We provide a number of comments for the SEC to consider as it develops its plans in this area.

XBRL International is the global standards development organisation that has developed, maintains and improves the XBRL specifications. Our purpose is to enhance transparency and accountability in business performance globally by providing the open data exchange standard for business reporting. We are a not-for-profit that works in the public interest, supported by more than 600 organisational members worldwide. Our specifications are freely available and are an important part of the fabric of reporting in more than 70 countries around the world, in use by well over 100 regulators, and used by in excess of 10 million private and public companies globally.

We are supported by 26 national jurisdictions including XBRL US, which has written to you under separate cover with a range of details about implementation, following extensive discussion with its members in the United States.

We would like to make a number of broader points about the Inline XBRL proposals, and set them out below.

This letter covers:

- The need to create a broad policy framework that ensures that *better data* is being provided by issuers to regulators and other market participants in machine readable, structured digital form.

- Our support for the Inline XBRL proposals, which overcome issues associated with "dual filing" and rendering.
- The need to consider the impact of this change and the growing use of structured data by users on the audit. Simply put, additional procedures need to be applied to Inline XBRL documents to avoid future problems as users will more and more rely on the structured data.
- The need for machine-executable rules to be incorporated into the SEC's reporting requirements. These should be the DQC rules, at least initially, but potentially permanently.
- The opportunity to use machine executable rules to replace EFM rules.
- The need to work with all stakeholders to identify weaknesses in structured data and resolve them collaboratively and on a consistent international basis.
- The need to consider modernising the SEC's processes for interacting with the technology supply chain associated with regulatory reporting.
- The potential to further reduce administrative burden.
- The need for the EDGAR Modernization Team to work with its foreign counterparts to minimise the risk of duplicate work in Inline XBRL filings for Foreign Private Issuers.
- The need to move towards LEIs as the primary issuer identification mechanism.
- The need to extend Inline XBRL filing to include at least Earnings Releases, an effort which would have the useful side-effect of make clearer which specific disclosure concepts are Non-GAAP.
- The need to consider machine readable definitions to help provide better data, with some recommendations for further analysis by DERA.

The Raw Ingredients for Successful Digitization in the Financial Sector

Almost every walk of life has been impacted over the last 5-10 years by rapid digitisation. Please consider the impact that digital cameras, smart phones and advances in digital technologies used in vehicles have had on the lives of literally billions of people.

With the advent of:

- big data technologies,

- artificial intelligence and machine learning that takes advantage of big data capabilities; and

- new modes of trusted computing and distributed computing (cloud and increasingly, blockchain),

the technical pillars that have supported the financial system are quickly being reinvented. These technical innovations are coming swiftly and will have enormous implications for business in the financial sector and on Main Street. They are happening so quickly at present (with fintech investment by venture capital firms exceeding USD13 billion in 2016[1]) that it is impossible for policy makers to predict

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[1] See KPMG "Pulse of Fintech" available here: http://ow.ly/N8YX30bMoJT

which innovations will provide the combination of efficiency, utility and necessary safety to replace legacy approaches, and which innovations will fail.

Regulatory sand boxes and regulator supported Fintech/Regtech labs are, therefore, the right approach today. It is impossible to say which of these specific technologies will win out.

It is, however, possible to conclude that the raw ingredient for a successful and truly digitized financial sector is ensuring that the policy conditions are set to ensure that market participants (young and old) produce and can consume *better data*.

To this end, we are very much of the view that the SEC's proposal to shift to Inline XBRL will mean that there will be better data, in both human and machine readable form provided directly by issuers and mutual funds. Ensuring that machine readable data is the responsibility of the company or mutual fund itself, and that this vital information is not substituted for a later approximation of this information provided by an intermediary is a condition precedent for better data.

Inline XBRL Lowers Costs and Improves Clarity

We are of the view that users need and will increasingly rely on structured, digital data. *This means that issuers that have poor quality structured data, or are exempt from digital disclosures, will miss out on investment attention and suffer from reduced liquidity and analytic coverage as a result.*

Investors say that financial statements remain a critical part of the investment process and that they will remain so into the foreseeable future. They also say that they need that information to be structured.[2]

The proposed shift to Inline XBRL means that the SEC will move beyond the existing "dual filing" arrangements that exist today. By providing separate HTML filings and XBRL exhibits, with two different liability and audit arrangements, today's requirements create additional work, while almost inevitably creating a "second class" document that issuers do not take as seriously as their filings, and that are sometimes subject to entirely separate workflow.

The shift to Inline XBRL also removes ambiguity and discord in relation to the "rendering" of XBRL. Standardised rendering of data provided purely as XBRL (ie: a stream of machine readable XML) necessarily create representations of reports that do not line up with the way that management presents their disclosures. Inline XBRL removes, over time, the need for such SEC-controlled rendering as it provides management with the flexibility to deliver human and machine rendered data in one document, that has the look and feel that management intends.

Shifting to Inline XBRL means the SEC will be ensuring that it has better, more reliable, and in some cases, more timely data for its own examination purposes as well as for

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[2] Please read the CFA paper "Data and Technology: Transforming the Financial Information Landscape" available here: http://ow.ly/zbjg30bMoSM

other market participants. At the same time, it will reduce the administrative burden associated with the provision of structured data as there is only one file to prepare and submit.

Inline XBRL as a "Laminate" Means Audit Needs to be Expanded

The shift to Inline XBRL can be thought of as being akin to the shift to modern windshields. Today's windshields are made up of multiple, transparent, toughened substrates that are bonded together to provide a high-performance window onto the world.

Inline XBRL provides a window into the operations and performance of a company by providing two bonded layers: a human readable one – an XHTML formatted report that can be read anywhere by anyone that has a web browser; and an XBRL formatted report that, similarly, can be consumed by any machine that has the necessary XBRL consumption capabilities. The two are indistinguishable. They are contained in the same document, in a single physical file and the human readable numbers and text are the ones tagged with instructions to transform those numbers and that text into machine readable XBRL.

Thanks to this "laminated" nature of Inline XBRL, we should expect that analysts, investors and a wide range of other users can and will assume that the single document has been subject to audit. They already rely on XBRL data and will (and should be allowed to) place greater reliance on Inline XBRL data as it is contained in a single, laminated window into the company's activities.

For the reasons already articulated – as well as increasing numbers of research reports that rely on XBRL information - we are of the view that we are entering into a period of rapid acceleration in the consumption of structured data, and that this is a very positive development. Unless that structured data (the "inline XBRL substrate" in the laminate window) is also subject to audit, then an expectations gap will quickly develop. It would be like car manufacturers suggesting to their windshield suppliers that only the top layer of their laminates will be subject to testing and quality assurance procedures.

The independent review of, in particular, tagging decisions by issuers will considerably improve the comparability and usability of structured data.

We are of the view, therefore, that the SEC should seek the advice of the PCAOB and the IAASB (as foreign private issuers are able to file in Inline XBRL), as well as the audit profession, on ways that today's financial statement audit can be rapidly extended to cover the additional layer in this laminate window into the company's activities.

The US has strong experience in this field and although only a very small minority of issuers today seek separate agreed upon procedures reviews to be conducted on their existing XBRL exhibits, the process of reviewing the accuracy of XBRL markup is well understood. Having discussed the costs associated with the existing AUP arrangements with leading practitioners in the audit and assurance field, we would

expect, over all, that the additional audit costs would be an immaterial addition to corporate audit fees, helped in part by incorporating additional procedures for reviewing the XBRL tags as part of the audit engagement, instead of as a separate assurance engagement.

Regulators Should Impose Machine Executable Business Rules on Structured Data Filings.

A fundamental best practice for regulators using XBRL (as well as other kinds of structured data) is that they should work to actively manage the data quality of the information that they receive. They do this by requiring data to pass a set of machine executable business rules before being accepted[3].

These kinds of rules relate to the relationship between reported concepts and the existence and appropriateness of specific disclosures. This is different to the independent review of tagging decisions which involve subject matter expertise and judgement. In contrast, these kinds of rules are, by their nature, mathematical or Boolean, and therefore mechanical. But that doesn't reduce their importance.

In a typical environment, this means that in addition to the data definitions required for reporters being published in an XBRL taxonomy, there is a "business rules" layer, provided in a taxonomy incorporated into the reporting framework.

Importantly:

- The business rules are machine executable: they do not require additional programming of the software that is dealing with this data.
- The business rules taxonomy is published as part of the reporting requirements, which means that companies can check that their data conforms to the rules prior to filing them.

This process is absolutely normal and implemented in a very large number of XBRL projects around the world. In some environments, such as the CRD IV filing framework imposed by the EBA and ECB for banks providing Basel III data to their EU supervisors, in addition the *operation* of these business rules is monitored very closely. The regulators look for ways to make ongoing enhancements as well as to identify (through an analysis of changes to rule conformance by specific filers) anomalous behaviour by reporters[4].

Unfortunately, no doubt because of the timing of the SEC's implementation which came before some of our own standardisation in this area, the SEC's existing

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[3] This process can be enhanced by designing rules that require either that an issue that has been flagged by a rule be resolved by retesting revised data, *or* that management provide an explanation, within the filing, about the reasons that a "warning" issue has arisen.

[4] For example, see: http://ow.ly/inTZ30bMqkB for a presentation from ECB staff.

program does not currently impose its own set of rules in this manner, even though it is a proven and very powerful regulatory capability which:

- Measurably improves the quality and consistency of data provided in filings.

- Provides regulators with a flexible tool that can be used to impose additional quality measures with little or no impact on filers own processes and vendors' software.

- Reduces administrative burden on filers, as they can be clear and confident about their obligations and whether or not they have passed them before submitting market sensitive data to regulators.

- Reduces costs and review steps for regulators as work that might otherwise be done manually (or worse, ignored) is automated.

- Reduces development costs for software vendors, and, through the use of standardised business rules, opens the door for additional competition within the software vendor community, as they do not need to develop (many) regulator specific customised routines, they can merely use their formula engine to execute the rules that are provided.

The DQC initiative run by XBRL US has been developed in the absence of an official set of data quality rules provided by the SEC.

Our recommendation to the SEC would be to:

1. Incorporate the addition of the DQC rules into the SEC's reporting framework as quickly as possible.

And *either:*

2. Develop a long-term requirement, or expectation, that XBRL US will maintain and enhance that rule set as an Open Private Sector Standard. This is a highly-specialised task, that requires and benefits from input from across the spectrum of preparers, advisors, vendors, data providers, and users. The SEC should enhance that process by becoming actively engaged in the process associated with identifying the requirements for improvements to the rule set (which will always be in the public domain in any event) itself.

Or

3. Develop, fund and maintain relevant internal skills to take the DQC rule development process over.

We would support both 2 or 3, and can envision other successful combinations. The important part is to actively manage quality by incorporating these kinds of rules into the SEC's requirements as quickly as possible, so that preparers understand their importance.

We have observed the manner in which XBRL business rule layers greatly enhance the filing process and resulting data quality. We have not observed an increase in

administrative burden through these implementations. Indeed, we would argue that the evidence appears to show the opposite.

We note that:

- XBRL International publishes and continues to improve a very sophisticated formula specification that supports business rules and has been implemented by a wide range of reporting software vendors, to ensure that new business rules can be implemented, no matter which filing arrangement is being catered to, in whatever part of the world.

- The XBRL International formula specification is correctly criticised as being complex and specialised to implement. In theory, this should only impact software vendors as users only ever see messages about rules and regulators and other specialists should be using a software tool's user interface to design rules and not the specification syntax itself. Our technical community continues to debate this problem and experiment with potential alternative approaches. We remain very open to new ideas for standardisation in this field.

- As a consequence of this complexity we are fully aware that some regulators have chosen alternative and proprietary (or open source) approaches to solving the same problem. We are aware of multiple successful alternative implementations of a "business rules language".

- While we are, of course, encouraging of the use of the official specification, we recognise that some teams (including the DQC) have chosen alternative routes. Our concern in this relatively specialised area is that regulators should have machine executable, published business rules, not that they must conform to the XBRL International specification in this specific domain.

The SEC should consider the benefits associated with using machine executable rules in place of parts of the EFM

Following on from the previous section, we note that there is every opportunity to use machine executable rules as an improvement on the EDGAR Filer Manual.

Filer manuals create a burden for software vendors, as different environments impose different rules, and otherwise standardised XBRL software must be modified in order to conform to requirements of differing filing arrangements.

This limits the choice for preparers in particular, making software more expensive.

There are therefore very good reasons, in terms of cost of compliance and choice of software, to minimise this burden.

Experience in Europe several years ago demonstrated the problem with filing rules quite acutely as EU-wide agencies don't have legislative power in relation to the content of filer manuals. This means that, in practice, European national supervisors have in the past developed their own modified versions of filing rules, each of which require implementation by software vendors, severely constraining choice. Sometimes this has meant that different regulators have taken different decisions on

syntactic details that mean that a filing accepted by one regulator would be rejected by another, and vice versa.

Where rules are necessary, we consider it to be good practice to ensure that wherever possible they should be implemented in the taxonomy as XBRL Formula, so that conformant software can validate them without the need to write custom code for particular environments.

Existing filing manuals incorporate a range of syntactic constraints that serve only to inhibit interoperability. Where the specification allows equivalent syntax for expressing the same information, constraining these options only imposes an unnecessary burden on preparer software. Such constraints are entirely unnecessary as conformant software on the receiving side will treat such options as entirely equivalent.

The XBRL International Implementation Guidance Task Force is currently producing guidance on filing rules in general, which we expect to cover the following principles:

- Filing rules should be kept to a minimum, and driven by clear business requirements.

- Filing rules should constrain content rather than syntax. We would prefer to see rules written in Formula, wherever possible, and in terms of information in the Open Information Model. Anything that is not in the model is irrelevant syntax detail that conformant processors will treat equivalently.

It is possible that the SEC requires certain capabilities in the XBRL Formula language which don't currently exist. We would be happy to hear about these kinds of additional requirements.

The SEC Should Work with all Stakeholders to More Actively Manage Comparability and Consistency in Entity Specific Disclosures

The SEC requires the creation of extension taxonomies by issuers in order to cater to the entity specific disclosure decisions of issuers. It is not the only securities regulator that works in this manner, but it is the largest and other markets (including Japan and Chile) have been able to control the way that extensions are constructed more easily than has been possible, to date, in the United States.

The "extensions problem" together with the lack of machine executable business rules has led to a perception, as well as a reality, that XBRL filings to the SEC have quality failings. In our view the perception problem is considerably higher than the reality, but there are real issues. We advocate, above, for the DQC rules. We would now like to turn to the question of extensions.

Because ESMA is in the process of developing a very similar Inline XBRL mandate, and there is every indication that many other securities regulators will follow suit, we

are strongly of the view that there is a need to produce globally consistent guidelines, and new technical constraints in this field.

Overall, regulators should develop firm guidelines that discourage the creation of extension concepts where they are not absolutely necessary. There are not, today, sufficient disincentives to provide unnecessary extensions and the SEC might consider how it could change this.

XBRL International is working through a Taskforce to develop guidance around the use of extensions, particularly by providing suggested mechanisms to "anchor" any necessary extensions to logical parents, which will allow software to make much better use of these extensions. This work, which is being led by experts from the IASB and FASB, is complex and is taking a long time to finalise, but we urge the SEC to utilise the recommendations once they are made.

It must be acknowledged that aspects of this problem simply relate to the "company narrative" aspects of corporate disclosures, in which accounting standards and norms provide extremely significant flexibility in the structure of individual company reports. This means that, to a certain extent, there will always be a market for the very specialised skills associated with the creation of "normalised" data. At the same time, limiting the way that extensions are used and creating "anchoring" requirements will greatly improve the comparability of information.

Overall, we would encourage the SEC, wherever it identifies issues with the quality, consistency or relevance of its digital structured data to actively engage with relevant stakeholders, including XBRL International, to resolve them. The digitization of finance is well under way. Fundamental data of the sort that the SEC disseminates is a small but critical part of that modernisation and we consider it very important to work with every relevant part of the reporting supply chain to resolve problems as they arise. Wherever possible this should be done, in our view, in a way that ensures that there are not US-specific arrangements. International comparability is increasingly important to efficient markets.

Embrace Inline XBRL rather than treating it as a bolt on

As discussed, an Inline XBRL document is fundamentally different to an XBRL report as it allows preparers to provide their preferred presentation of the report directly. Rather than requiring filers to attempt to control the presentation indirectly by constructing an extension taxonomy that influences the behaviour of a rendering engine such as that provided by the SEC, they can just use HTML. This fundamental change should be taken as an opportunity to review the filing rules imposed on XBRL documents with a view to simplification in the light of the additional functionality offered by Inline XBRL.

Some specific suggestions that we have in this regard are:

- Reconsider the requirement for preparers to provide their own labels for concepts defined in the US GAAP taxonomy. Inline XBRL means that the line item descriptions used in the preparer's "original" presentation are readily

available, as XBRL tags are linked into the places that they are presented in the HTML. Changing the labels of base taxonomy concepts is a burden for preparers, and the customised labels are unlikely to be used by consumers comparing facts across different issuers and reports. The ability to re-label concepts also introduces the possibility that preparers will change the label in a way that is inconsistent with its definition in the base taxonomy.

- Reconsider the use of text block tagging using "escaped HTML". Such tags are used in the current EDGAR system to allow the XBRL report to contain fragments of the preparer's "original" presentation. Inline XBRL makes this approach redundant; all tags can be linked back to the HTML report and so the original presentation remains available, and can provide more functionality than a block of escaped HTML. By referring back to the Inline XBRL document tools can provide a more interactive view of the text block, including access to any tags embedded within it. Preparation of escaped HTML tags from within an Inline XBRL document can be particularly challenging, as preparers must ensure that the contents render correctly both within the context of the Inline XBRL document, and outside it.

The second point above has been the subject of extensive discussion within the XBRL International Specification Working Group, including the developers of SEC filing software. The issues here are technically quite involved, and are a good demonstration of why we feel that it is important that the SEC engage openly and constructively with the software development community in designing its systems.

Our point here is that there are significant opportunities to further reduce administrative burden in these areas and we are happy to engage with SEC staff to discuss some of the specifics.

The SEC Should Work with Industry More Collaboratively When Dealing With Technical Initiatives

The SEC has long standing processes in place that obliges it to prepare detailed rules before consulting on them. Clearly there are many subject areas related to market conduct and operations in which it is important to work very much at arm's length with regulated organisations. In relation to XBRL and other structured data initiatives (and we are sure, other IT technical issues) we perceive that these rules are outdated.

Having continuous, open interactions with the software industry and other service providers as new developments are designed would lead to enhanced outcomes and lower the cost of developing and maintaining software that supports the Commission's requirements. As long as access to these consultation mechanisms are open, or have very low barriers to entry, there is nothing anti-competitive about such arrangements.

For example, if the SEC had discussed a roadmap that might, given Commission approval, have led to the use of Inline XBRL well prior to its 2016 announcement

about these new capabilities, it might have been able to take advantage of the technical knowledge of vendors in designing its systems. Perhaps more importantly there would likely have been more Inline XBRL capable software packages in the market place when it made its announcement about the Commission's decision in relation to the original (voluntary) arrangements.

We would point to the very collaborative approach taken by initiatives such as the SBR project in the Netherlands, or the UK HMRC's efforts in relation to Inline XBRL, that recognise that reporting involves an interconnected ecosystem of service providers including software vendors, service providers, issuers and users.

We don't collect data on this point, but believe that regulators that consult consistently and specifically with vendors and other relevant technical groups on their technical road map tend to suffer fewer criticisms during implementation.

EDGAR Modernization Team Should Co-ordinate with Foreign Counterparts

We are concerned that there is a risk of "dual filing" continuing unless there is careful co-ordination with ESMA and other securities regulators that govern foreign private issuers that also provide digital disclosures to home markets.

As we understand it, in most situations, today's 20F arrangements allow FPIs to file IFRS financial statements that are acceptable to their home markets, supported by a range of exhibits covering certain financing arrangements, executive compensation etc. In general, the 20F filing is an HTML representation of all or parts of the Annual Report and has been formatted to take account of the FPI's house style or preferences for filing.

For example, if you look at the most recent 20F filing from Unilever Plc, a large UK/Dutch concern, you will see that their filing looks like their annual report, which is available on their web site. The consolidated income statement, for example, looks like this:

CONSOLIDATED FINANCIAL STATEMENTS
UNILEVER GROUP

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December

	Notes	€ million 2016	€ million 2015	€ million 2014
Turnover	2	52,713	53,272	48,436
Operating profit	2	7,801	7,515	7,980
After (charging)/crediting non-core items	3	(245)	(350)	960
Net finance costs	5	(563)	(493)	(477)
Finance income		115	144	117
Finance costs		(584)	(516)	(500)
Pensions and similar obligations		(94)	(121)	(94)
Share of net profit/(loss) of joint ventures and associates	11	127	107	98
Other income/(loss) from non-current investments and associates		104	91	45
Profit before taxation		7,469	7,220	7,646
Taxation	6A	(1,922)	(1,961)	(2,131)
Net profit		5,547	5,259	5,515
Attributable to:				
Non-controlling interests		363	350	344
Shareholders' equity		5,184	4,909	5,171
Combined earnings per share	7			
Basic earnings per share (€)		1.83	1.73	1.82
Diluted earnings per share (€)		1.82	1.72	1.79

Figure 1: Excerpt from Unilever 2016 20F.[56]

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[5] See http://ow.ly/p2BV30bMd8q for the SEC filing in full.

We fully expect that going forward securities regulators in a number of jurisdictions will take advantage of the capabilities of Inline XBRL to allow the production of highly styled reports, which, by providing a single, self-contained file and (by disallowing Java Script and external CSS calls) that remains secure.

The existing EDGAR system imposes strict limitations, for what we presume to be largely historical reasons, on the HTML that is submitted to the SEC.

If these limitations continue, issuers such as Unilever will need to prepare entirely separate versions of their IFRS filings for their inline XBRL filings to EDGAR. After all EDGAR filings oblige consistent formatting for HTML tables and text, with today's SEC Inline XBRL filings looking very familiar to US issuers, but much less so for FPIs. For example, look at the following Inline XBRL filing from Delta, which looks very different to the Unilevel example above:

DELTA AIR LINES, INC.
Consolidated Balance Sheets
(Unaudited)

(in millions, except share data)		March 31, 2017		December 31, 2016
ASSETS				
Current Assets:				
Cash and cash equivalents	$	1,907	$	2,762
Short-term investments		743		487
Accounts receivable, net of an allowance for uncollectible accounts of $11 and $15 at March 31, 2017 and December 31, 2016, respectively		2,307		2,064
Fuel inventory		487		519
Expendable parts and supplies inventories, net of an allowance for obsolescence of $114 and $110 at March 31, 2017 and December 31, 2016, respectively		368		372
Prepaid expenses and other		1,068		1,247
Total current assets		6,880		7,451
Property and Equipment, Net:				
Property and equipment, net of accumulated depreciation and amortization of $12,932 and $12,456 at March 31, 2017 and December 31, 2016, respectively		24,817		24,375
Other Assets:				
Goodwill		9,794		9,794
Identifiable intangibles, net of accumulated amortization of $833 and $828 at March 31, 2017 and December 31, 2016, respectively		4,855		4,844
Deferred income taxes, net		2,750		3,064

Figure 2: Excerpt from Delta Airlines Recent Inline XBRL 10Q[7]

In other countries the shift from PDF filings to Inline XBRL filings is being done, in some cases, to ensure that companies can continue to express their company-specific narrative, not just through their accounting disclosure decisions but also through the look and feel of the HTML document. Our assumption, backed up through discussion with a range of issuers and their advisors in Europe, is that in a "single filing" Inline XBRL paradigm, the ability to provide "glossy" Inline XBRL will be important.

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[6] Technically: Note that these renderings in 20F filings today are produced using graphic exhibits that are linked from the 20F HTML. This is in contrast to the kinds of techniques demonstrated by the UK's FRC in their example "glossy" Inline XBRL, that uses HTML styling without style sheets, and with embedded graphics contained directly in the HTML. We are happy to discuss these mechanisms with relevant personnel.

[7] See http://ow.ly/9Gik30bMfjH for the original SEC filing.

Our view is that it would be undesirable to create a situation in which companies are required to provide two sets of filings in Inline XBRL, notwithstanding the fact that the tags selected would be identical.

We therefore urge the SEC's EDGAR Modernization Team to engage with other relevant securities regulators, and XBRL International, to ensure that this kind of administrative burden on Foreign Private Issuers can be avoided.

The SEC should move towards LEIs as its primary entity identifier for all filings

As the interconnections between companies becomes ever more complex, the task of understanding those connections becomes ever more important for regulators and users alike. To ensure that structured digital data really is better data regulators should pay particular attention to standardisation in this type of "Master Data".

In our view, the FSB sponsored (and largely US Treasury designed) Legal Entity Identifier can and will play a vital role in creating clarity in this vital area of reporting.

We would urge the SEC to move to adopt the LEI:

- As the primary legal entity identifier for issuers; and
- As the preferred identifier to be used when referring to 3rd parties in disclosures.

We would encourage the SEC to consider doing this as part of its Inline XBRL implementation, but would encourage the use of LEIs across all of its reporting forms and formats.

To assist this process, XBRL International and the GLEIF are jointly developing a small LEI taxonomy that can be incorporated into regulatory taxonomies in a way that will greatly simplify the process of identification in reporting of all kinds. The taxonomy is currently in draft and can be found here.

The SEC should broaden the range of information that it acquires as structured digital data.

Referring back to our earlier points about the need to develop policies that ensure that market participants, new and old, have structured, digital forms of better data to consume, as a precondition for innovation and improvements in this field, we strongly encourage the SEC to examine all of its data collection requirements to determine where it can use this approach.

In particular, we are of the view that the SEC should require the publication of Earnings Releases in XBRL format. You will have noted that the largest exchange in India, the BSE, has recently taken this step. In our view this is a relatively simple exercise for preparers and has significant benefits for users.

Of course, if Earnings Releases are tagged in Inline XBRL format it will be trivially simple to highlight which disclosed concepts conform to relevant accounting

standards and which are "Non-GAAP measures", which would be a useful by-product of such an initiative.

We are also of the view that the SEC should examine (with users and preparers) the potential benefits of requiring that MD&A disclosures and corporate action disclosures be made in Inline XBRL.

The SEC should focus on consistent definitions and semantics across filings of all kinds to assist with analysis.

As you know, XBRL taxonomies are dictionaries of terms that provide a wealth of information that assists with understanding individual concepts as well as the relationships between them.

These kinds of machine readable definitions, supported by a broadly implemented standard, are critical to improved analysis and therefore should be part of the requirements considered when designing data collections.

Some alternative formats (such as plain XML) are simpler to implement initially, but because definitions are not machine readable (they are contained in a supporting word or PDF document, or in some cases are missing), they are much less useful in supporting better structured data overall.

We do not advocate for the use of XBRL in all sorts of structured data (there are many areas that have specialised and similarly widely supported standards).

However, we encourage the SEC to consult with other regulators and with XBRL International to determine whether it might benefit from the use of other parts of the XBRL standards that still use strongly defined, machine readable taxonomies.

Areas worthy of study might include:

1. The XBRL "Table Linkbase" specification, which is a software independent and open way to create forms and templates. In very extensive use in Europe and Asia, this kind of "Smart Form" allows the way that data needs to be presented, either for data entry or display (or both, where you want to provide partially populated forms), while using XBRL taxonomies. These kinds of XBRL "Smart Forms" are today supported by a very large number of software firms, including some of those that today provide capabilities to SEC filers and issuers. Use it for:

   a. Forms that might be paper or PDF today
   b. Templates that might be provided in unstructured Excel today (providing XBRL-capable Excel via a plugin is now very straightforward)
   c. The publication of data that might be consumed machine-to-machine but that needs to be published in a specific table[8].

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[8] It is possible to combine the Table Linkbase specification with Inline XBRL, simplifying further the consumption of this kind of data.

2. The JSON OIM module which allows, in particular, the publication of XBRL data in the JSON format, which today is more widely understood by developers than XML. Use it to make data that is "known good" as it has been validated via an XBRL processor, more easily usable by external third parties or by other data systems within the SEC. This module is currently a "Candidate Recommendation" meaning that it is nearing finalisation. Early use by stakeholders is encouraged. We fully expect that JSON formatted XBRL publication will rapidly become more popular for end users than traditional "XML XBRL" publication.

3. The CSV OIM module which allows, in particular, the consumption and publication of XBRL data in simple "comma separated" format. Use it to collect large quantities of granular information, and to more easily provide interaction (publication and consumption) with Excel formats.

Each of the suggestions above retain the use (and reuse) of strong, machine readable definitions with taxonomies.

Finally

Please note that this document is a staff opinion. It may not entirely or accurately represent the views of XBRL International, the Board of XBRL International or the consensus opinions of the XBRL Standards Board or Best Practices Board. Discussion about the contents of this submission has, however, occurred with the XBRL International Board which is particularly vocal about the need to incorporate Inline XBRL documents into the scope of the audit.

We are happy to further discuss any aspect of this submission with SEC staff or Commissioners and would like to thank you for your attention and the opportunity to provide our perspective.

Yours faithfully

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