

July 20, 2016

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Business and Financial Disclosure Required by Regulation S-K

Morningstar, Inc. appreciates the opportunity to comment on the SEC's concept release "Business and Financial Disclosure Required by Regulation S-K."

Morningstar is committed to advancing the interests of investors. In particular, we have a long history of fighting for transparency in opaque parts of the capital markets. Part of the way we serve investors is by tracking and aggregating data on thousands of publicly-traded companies and organizing and presenting this data to our clients. As a data aggregator we believe we have an important perspective on two specific questions in the concept release.

- 1) Should we eliminate or reduce the XBRL tagging requirements for SRCs? What, if any, XBRL tagging should we require of SRCs?

We do not support such an elimination or reduction. The current filing requirement—that all companies report in an XBRL format—will ultimately advance investors' interests by providing them with a greater level of information about smaller companies in less time. The smaller-company portion of the market is where it is most difficult to obtain high-quality information, so exempting small- and mid-size firms from the XBRL filing requirement will harm investors' interests and decrease capital-market transparency. In fact, it can take us up to 5 days to process HTML filings from smaller companies and display this data for our clients, whereas aggregating XBRL data is nearly instantaneous, as long as the data is high-quality. Removing the XBRL requirement will also put the United States out of step with developments in other important global markets, in which XBRL reporting has increasingly become mandatory.

- 2) Are company-specific custom extensions, such as element or axis extensions, useful to investors or other users of structured disclosures? If so, how might these custom extensions be made more

useful for enhancing automated analysis? If not, are there better ways to express disclosures that are unique to a company (e.g., business segment, product line)?

We believe that custom extensions in XBRL do not generally benefit investors, and we applaud the Commission's guidance on XBRL to keep such extensions to a minimum. We believe that the XBRL filings have improved in quality over the last few years because of the Commission's emphasis on a standard taxonomy and that allowing for more company-specific custom extensions would be a step backward in achieving greater transparency. Providing filings in a consistent electronic format makes it more efficient for data providers to aggregate important public company data and provide timely information to investors. Any company-specific extension requires manual interpretation and intervention. The XBRL filing requirement also makes it easier for new data providers to collect key company data and compete with incumbents. Finally, as a data aggregator we do not use company-specific extensions because we aim to show investors data on multiple companies in a clear and consistent manner to promote comparability across industries and countries; therefore, we generally catalog company-specific extensions as a standard item. Companies that wish to call out unique accounting issues should include a description while still using standard XBRL tagging. This allows the XBRL filing to serve multiple audiences and for data aggregators to best serve investors.

In general, our experience as a global data provider tells us that research is an important component of a robust capital market. It not only assists investors but helps drive the confidence and liquidity that enables smaller businesses to raise capital in those markets. We have seen exchanges in multiple countries engage in various initiatives aimed at increasing the research activity around smaller companies. At the core of any research is good quality, timely and affordable data. Keeping the XBRL requirement for smaller companies is an important foundation to deliver on all three of these fronts and assist in the ability of these companies to raise capital from the public.

Sincerely yours,

Aron Szapiro
Director of Policy Research
Morningstar, Inc.

Jo Guo
Head of Fundamentals Data
Morningstar, Inc.