



January 2, 2018

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

Re: File Number S7-08-17: FAST Act Modernization and Simplification of Regulation S-K

Dear Mr. Fields,

We are writing on behalf of the Financial Accountability and Corporate Transparency (FACT) Coalition to share with you our views on the Securities and Exchange Commission's recent proposal regarding Modernization and Simplification of Regulation S-K. The proposal (File Number S7-08-17) explores a wide range of topics, but our comments are focused on Section II(E)(4): Subsidiaries of the Registrant and Entity Identifiers (Item 601(b)(21)(i)) — questions 58–61.

The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations working toward a fair tax system that addresses the challenges of a global economy and promoting policies to combat the harmful impacts of corrupt financial practices.¹

For markets to function properly, it is critically important for investors and the public to be armed with sufficient information to meaningfully assess the business operations, management, and risks of U.S. public companies. Improving disclosures for investors and the public is a critical objective for the SEC. As such, we applaud you in undertaking this effort.

We strongly support the SEC's proposal to require registrants to disclose in their filings the Legal Entity Identifier (if one has been obtained) of the registrant and each subsidiary required to be listed in the disclosure.

We also urge that the LEIs be disclosed in machine-readable format.

Additionally, it's vital to ensure that *all companies* registered with the SEC, as well as their subsidiaries, be required to obtain and disclose their LEIs — disclosure should not be limited to those companies which have already obtained LEIs. We also oppose instituting any size threshold; all filers should be required to obtain and disclose LEIs.

Finally, as we discussed in our July 6, 2016 comments to you, we believe that it's important for the SEC to ensure that all registrants disclose all of their subsidiaries, rather than just "significant" ones — providing the name, location, LEI number, and relation to the parent entity.² This disaggregated information is critical for investors to understand how companies are structured and operate, including whether they are operating in

¹ For a full list of FACT Coalition members, visit <https://thefactcoalition.org/about/coalition-members-and-supporters/>

² *The FACT Coalition*, "Comments to the SEC Re: File No. S7-06-16, Business and Financial Disclosure Required by Regulation S-K", July 6, 2017, <https://thefactcoalition.org/wp-content/uploads/2016/07/FACT-Letter-on-SEC-Concept-Release-7-2016.pdf>. Pages 15–16.

high-risk jurisdictions, may have actual or potential tax liabilities, or may be engaged in other types of unknown or ill-understood corporate activities.

We thank you for the opportunity to comment on this thoughtful proposal. Disclosure of information about corporate subsidiaries can better assist both retail and sophisticated investors in ascertaining the value of their holdings, assess numerous types of risks to their companies, and assess the judgment and integrity of corporate management.

Should you have any questions, please feel free to contact Clark Gascoigne at +1 (202) 810-1334 or cgascoigne@thefactcoalition.org.

Sincerely,

Gary Kalman
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The FACT Coalition

Clark Gascoigne
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