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

31 October 2016

**Re: Exhibit Hyperlinks and HTML Format (Release No. 33-10201; 34-78737;
File No. S7-19-16)**

Dear Mr. Fields:

Ernst & Young LLP is pleased to comment on the rule the Securities and Exchange Commission (SEC or the Commission) proposed that would require registrants to use hyperlinks in the exhibit index of certain SEC filings and submit the filings using HyperText Markup Language.

We support the proposed changes, which we believe would make it easier for investors and other users to retrieve the exhibit information from SEC filings. We also support the broader objective of the Commission's disclosure effectiveness initiative to enhance the presentation of information to investors, and we continue to recommend that the Commission adopt a company profile approach for organizing and presenting exhibits, among other information.

Use of company profile for providing exhibits

We believe that a company profile approach ultimately will be a more effective way to provide access to exhibits versus the Commission's current form-based approach for the following reasons:

- ▶ Investors would be able to more efficiently access exhibits from a company profile rather than browsing through multiple SEC filings to locate the hyperlinks to the exhibit of interest.
- ▶ Registrants would be able to easily update exhibits residing in a central location and highlight the changes. Under the form-based approach, obsolete hyperlinks could remain active in historical filings such that investors might inadvertently use an outdated exhibit.
- ▶ A company profile approach would provide more flexibility to organize exhibits in a user-friendly manner that could enable investors to sort exhibits by categories, subcategories or last change date.
- ▶ A company profile approach would facilitate the incorporation by reference of current versions of all exhibits into each SEC registration statement.

In line with our recommendations included within our comment letters dated [21 July 2016](#) and [11 September 2012](#), we recommend using a company profile approach primarily for exhibits that generally remain static and contain background information on a company rather than information specific to particular periodic reports or transactions. In considering such an approach, the Commission should review the exhibit requirements under Item 601 of Regulation S-K to determine which exhibits could be added to a company profile based on their nature and frequency of change. For example, the exhibits involving corporate governance, indentures and material contracts could be maintained in a company profile.

In adopting a company profile approach, the SEC would need to specify expectations regarding the timeliness of adding new exhibits or updating existing exhibits for changes. The SEC could also require that companies archive amended or obsolete exhibits and provide a record of changes to the exhibit information.

Other recommendations

Besides the suggestion above, we have the following additional observations and recommendations on the proposal:

- ▶ The Commission should consider providing mechanisms to alert investors to obsolete hyperlinked exhibits and to provide an efficient and simple process to correct bad hyperlinks in filed documents. To do that, the Commission could consider:
 - ▶ Whether EDGAR could be upgraded with additional functionalities that would highlight when hyperlinked exhibits have been subsequently amended or superseded. For example, hyperlinks to currently active exhibits could display in green, while hyperlinks to subsequently amended or obsolete exhibits could display in red. Also, the SEC should consider providing registrants the ability to correct bad hyperlinks within their SEC filings without filing an amendment.
 - ▶ Whether a disclaimer¹ could be added to the exhibit index of an SEC filing to warn investors that exhibit hyperlinks are not updated when the exhibits are subsequently amended.
- ▶ We observe that the scope of this proposal is limited to the exhibits required under Item 601 of Regulation S-K and would not apply to certain SEC filings under the Investment Company Act of 1940. We suggest that the Commission consider requiring exhibit hyperlinks in all SEC filings, particularly when such exhibits are incorporated by reference.
- ▶ Given that investors generally start using a registration statement and its preliminary prospectus to consider an investment decision well before pricing and effectiveness, we recommend that the Commission consider requiring exhibit hyperlinks in pre-effective registration statements before the road show commences or otherwise within a sufficient time before the effective date.

¹ For example, the SEC could consider requiring the following disclaimer below the exhibit index heading: "The exhibit hyperlinks provided below are to versions of the respective exhibits as of the time of filing, and these hyperlinks are not updated when the exhibits are subsequently amended."



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We would be pleased to discuss our comments with the Commission or its staff at your convenience.

Yours sincerely,

Ernst & Young LLP

Copy to: Wesley Bricker, Interim Chief Accountant, Office of Chief Accountant
Keith Higgins, Director, Division of Corporation Finance
Mark Kronforst, Chief Accountant, Division of Corporation Finance