



January 14, 2025

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Division of Economic and Risk Analysis  
Securities and Exchange Commission  
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To: Whom It May Concern:

RE: Draft 2025 SPAC Taxonomy

Thank you for the opportunity to provide input to the Draft 2025 SPAC Taxonomy and Draft Taxonomy Guide. 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 (eXtensible Business Reporting Language).

The Taxonomy and Guide were reviewed by members of XBRL US to assess technical aspects of the taxonomy and the ease with which reporting entities could use it to prepare and submit their filings to the EDGAR System. This letter provides our observations and recommendations addressing the taxonomy and technical guidance. We have also included a section of additional questions related to the taxonomy and tagging process that we hope the Commission can help to address.

## **Taxonomy**

### **Open Hypercubes**

XBRL International discourages the use of open hypercubes because of validation issues that arise which can lead to data quality risks<sup>1</sup>. The SPAC Taxonomy includes open hypercubes, and while this provides added flexibility it does not conform with published XBRL taxonomy guidance and would make it more difficult to use the data generated.

Given the limited use of open hypercubes among regulatory programs, and the fact that XBRL International recommends against using open hypercubes in taxonomies, we believe that flexibility would be better enabled by allowing the use of extensions by registrants and their providers.

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<sup>1</sup> See section 3.1 "Open hypercubes": <https://www.xbrl.org/WGN/dimensions-use/WGN-2015-03-25/dimensions-use-WGN-2015-03-25.html#sec-open-hypercube-validation-issues>

## Dimensions

A typed dimension typically offers the benefit of imposing constraints within a defined format. In the case of the SPAC taxonomy, the typed dimension `spac:OverAllotmentAxis` only allows two specific constraints: "Exercised" and "Not Exercised." We suggest that the Commission consider changing this to an explicit dimension or an extensible enumeration, which would mirror the structure of other axes in the SPAC taxonomy.

Separately there are some dimensions, for example, `spac:DeSpacProjectionPreparerAxis`, that do not have dimension default relationships where they would be expected. We ask for additional clarity around this.

## Data types

We suggest changing the data type on certain elements. For example, a footnote on page 32 in the technical documentation reads “*† The value of `spac:SpacDirectorDissentOrAbstain` should be a single word*”. This element has a data type of string. Data produced using this element could be enhanced by restricting values reported to “Dissent” or “Abstain” as an enumerated list with only two values and by modeling this element as a `dtr:noLangTokenItemType`.

A second example of an element that is noted as being required to be a “single word” is `SponsorFormOfOrganization`, which again, has a data type of string. It would be more efficient, generate more useful data, and be easier for issuers to tag, if an enumerated data type restricted to certain defined organization forms were used and by using a more appropriate data type such as `dtr:noLangTokenItemType`.

## Textblock elements in link roles separate from detailed disclosures

Certain textblock elements are placed in a different link role from the associated detailed disclosures. For example, the SPAC Sponsor Controlling Persons [Table Text Block] is in 99554.3, while the related detail disclosure elements are in 99554.3.1.7.1.

This approach differs from the structure of the US GAAP/IFRS taxonomies, where a single link role typically includes all elements related to the same disclosure topic for easier navigation. It means that filers and preparers may need to spend additional time locating elements across different link roles to tag disclosures in the same paragraph or table. We ask the Commission to consider adhering to the practice used in US GAAP and IFRS Taxonomies, as registrants and vendors are accustomed to this approach, and it will ease navigation. Alternatively, the Commission could provide guidance and its rationale to help the market understand why this practice is preferable.

## Spelling and other mismatches

Certain labels and element names in the taxonomy appear to have spelling errors or typos including:

- DeSpacProjectionPreparerName - De-SPAC, Projection Preparer **Nsme** (should be "Name")
- DeSpacTransactionsBackgroundTermsEffectsDisclosure**LineItem** (this is the only line item element that uses "line item" in the singular, all other LineItems are plural)
- name="overAllotmentOption" id="spac\_overAllotmentOption"> (would expect "over" to be written as "Over")
- <xs:enumeration value="**Excercised**"/> (Excercised has an extra "c")

Some elements are labeled as "text block" in the element name but have a data type of string:

- spac\_DeSpacBoardDeterminationOtherFactorsConsideredTextBlock
- spac\_DeSpacProspectusSummaryBoardDeterminationOtherFactorsConsideredTextBlock

Certain elements have specified references, but do not appear in the presentation associated with that reference:

- spac\_DifferenceBetweenTheOfferingPriceAndTheAdjustedNetTangibleBookValuePerShare has a 1602(c) reference, but not included in that respective presentation section
- spac\_NumberOfSharesUsedToDetermineNetTangibleBookValuePreTransactionPerShare, spac\_NetTangibleBookValuePreTransactionPerShare have both 1602(c) and 1602(a)(4) references, but only appear in 1602(c) presentation
- spac\_NetTangibleBookValueAdjustedPerShare has a 1604(c) reference, but is in the presentation sections for 1602(c) and 1602(a)(4)

## Using multiple taxonomies

The Commission of late has collapsed multiple taxonomy files into one. While we believe this was done for ease of use, it has resulted in a loss of flexibility as relationships cannot be overwritten.

Separately, the SPAC Taxonomy contains the dimension spac:SecurityClassAxis and related members, such as spac:CommonShares and spac:WarrantsMember. Information related to the same securities is often also presented in a SPAC's financial statements, which are tagged using US GAAP taxonomy elements. In registration statements that include financial statements, filers would tag the securities in the financial statements section using US GAAP elements (for example, us-gaap:WarrantMember), while the same securities and information are tagged using elements from the SPAC taxonomy (for example, spac:WarrantsMember) in locations outside of financial statements. This is likely to cause confusion among reporting entities and data consumers.

A similar issue occurred with the 2022 CEF taxonomy, where the SecurityAxis was initially included but deprecated the following year, with guidance provided for filers to use US GAAP elements (e.g., StatementClassOfStockAxis and/or DebtInstrumentAxis) instead.

Separately, we ask the Commission to consider whether spac:SecurityClassAxis is necessary, and provide guidance on whether filers should use US GAAP, IFRS, or SPAC elements when tagging the same information in both the financial statements and other sections of the registration statements.

The Commission may wish to consider creating a consolidated “central” taxonomy for securities that contains elements that can be used in conjunction with other taxonomies, a role similar to the one played by the SRT Taxonomy.

### **Industry practice does always not match taxonomy structure**

Registrants often disclose information about more than one topic in the same location, while the taxonomy structure calls for each disclosure to be made separately. For example, Items 1602 and 1603 require the disclosure of Sponsor Compensation. Filers generally present a single disclosure (paragraph or table) of sponsor compensation that meets the requirements of both items, sometimes included in the "Conflict of Interest" section, which is usually part of the "Prospectus Summary."

Taxonomy link roles, however, are structured according to regulation item number, section, and subsection. These Sponsor Compensation elements (spac:SecuritiesIssuedOrToBeIssuedShares, spac:PricePaidOrToBePaidForSecuritiesTotalAmount, spac:PricePaidOrToBePaidForSecuritiesPerShare) appear in four link roles:

- 99554.2.1.3 - Disclosure - S-K 1602(a)(3) Forepart, Sponsor Compensation
- 99554.2.2.6 - Disclosure - S-K 1602(b)(6) Prospectus Summary, Sponsor Compensation
- 99554.3.1 - Disclosure - S-K 1603(a) SPAC Sponsor (which refers to Conflict of Interest)
- 99554.4.1.3 - Disclosure - S-K 1604(a)(3) De-SPAC Forepart, Compensation

It is unclear if the expectation is that this same information should be tagged to multiple link roles (99554.2.2.6 and 99554.3.1). Clarification is requested.

Furthermore, the taxonomy provides few line items for tagging SPAC sponsor compensation (monetary and equity) and reimbursements (with only one monetary element). It has been observed that many filings include other common items, such as working capital loans, loan repayments, reimbursement for out-of-pocket expenses, and rent reimbursement, among others as noted on the example table below. Guidance should be provided on whether these additional items should be tagged using custom elements or the Commission may wish to consider adding a dimension for disaggregation of different types of monetary compensations and reimbursements.

Entity/Individual	Amount of Compensation to be Received or Securities Issued or to be Issued	Consideration Paid or to be Paid
Aldel Investors II LLC	\$20,000 per month	Office space, administrative and shared personnel support services
	5,470,714 Class B Ordinary Shares <sup>(1)</sup>	\$25,000
	440,000 private units (or 477,500 if the underwriters exercise the over-allotment option) to be purchased simultaneously with the closing of this offering <sup>(2)</sup>	\$4,400,000 (or \$4,775,000 if the underwriters exercise the over-allotment option)
	1,000,000 OTM Warrants to be purchased simultaneously with the closing of this offering <sup>(3)</sup>	\$100,000
	Up to \$180,000	Repayment of loans made to us to cover offering related and organizational expenses.
	Up to \$1,500,000 in working capital loans, which loans may be convertible into warrants of the post-business combination entity at a price of \$1.00 per warrant	Working capital loans to finance transaction costs in connection with an initial business combination
	Reimbursement for any out-of-pocket expenses related to identifying, investigating and completing an initial business combination	Services in connection with identifying, investigating and completing an initial business combination
Aldel Investors II LLC	Anti-dilution protection upon conversion of an aggregate of 6,160,714 Class B Ordinary Shares into Class A ordinary shares at a greater than one-to-one ratio	Issuance of the Class A ordinary shares issuable in connection with the conversion of the founder shares on a greater than one-to-one basis upon conversion
FG		
Merchant Partner LP		
Robert I. Kauffman Hassan R. Baqar		
Stuart Kovensky Jonathan Marshall		
Meltem Demirors Peter Early Larry G. Swets		

## Technical Guidance

This section provides suggestions related to section 13 of the technical guidance provided by the SEC.

- Clarity is requested around the statement in Section 13.2.1 which states that filers can “...use the standard members of the us-gaap taxonomy domain *IncomeStatementLocationDomain*, members of *BalanceSheetLocationDomain*, or custom members whose names follow a similar naming pattern, such as *xyz:CashAndCashEquivalentsMember* representing Cash and Cash Equivalents.” The custom member example shown (*CashAndCashEquivalentsMember*) is confusing because this particular example is a standard GAAP member (*us-gaap:CashAndCashEquivalentsMember*) so it is not clear if this is simply an illustration of the syntax required to create an extension or if this is showing a specific extension element that is allowed to be used. If it is the latter, guidance is requested to understand and in what circumstance a registrant should create an extension element that has the same name as a standard element that already exists.
- Section 13.2.1 also contains important information about possible use of GAAP elements for disclosures of projections. We suggest this guidance about use of elements from other taxonomies like GAAP or IFRS be more prominently placed earlier in the guide to reduce any confusion about tagging, and it would also be helpful to provide detailed examples and guidance about the use of related dimensions with the GAAP elements.
- In addition, we also noted that certain roles including 1606 and 1606e are missing from Figure 2 in Section 3 of the guide.
- In section 7.3.1, the SPAC Sponsor Direct or Indirect Material Interest Holder [Axis] is listed as “OR” in the opening text but in the Figure 28 table, as “AND”, as shown below.



### 7.3.1 SPAC Sponsor Direct or Indirect Material Interest Holders axis

Define custom members of the domain in the SPAC Sponsor Direct or Indirect Material Interest Holders role, for each person so disclosed. Members of this role may also appear in the domains of other axes.

Figure 28. Definition links in role SPAC Sponsor Direct and Indirect Material Interest Holders

role: <a href="http://xbrl.sec.gov/spac/role/SpacSponsorDirectAnIndirectMaterial-InterestHoldersOnly">http://xbrl.sec.gov/spac/role/SpacSponsorDirectAnIndirectMaterial-InterestHoldersOnly</a>	Type	
SPAC Sponsor Direct and Indirect Material Interest Holder [Axis]	Explicit Dimension	
All SPAC Sponsor Direct and Indirect Material Interest Holders [Member]	Domain Member	dimension-domain

- In section 6.2.1, the element referred to in the guide as 'spac:OverAllotmentAxis' is incorrect. The correct element should be 'OverAllotmentOptionAxis' as shown below.

Typed dimension `spac:OverAllotmentAxis` has a corresponding typed domain element `spac:overAllotmentOption` with exactly two values, `Exercised` and `Not Exercised`.

For example, a context for facts in this definition link would indicate that the fact refers to a value when the option is not exercised using this `<i:segment>` element, where prefix `i` is bound to the namespace URI <http://www.xbrl.org/2003/instance>:

```
<i:typedMember dimension="spac:OverAllotmentAxis">
  <spac:overAllotmentOption>Exercised</spac:overAllotmentOption>
</i:typedMember>
```

- Clarification is requested to be included in the technical guidance as to whether the superscript notes (as shown below) in the Sponsor Compensation table also require detailed tagging.

Entity/Individual	Amount of Compensation to be Received or Securities Issued or to be Issued	Consideration Paid or to be Paid
Aldel Investors II LLC	\$20,000 per month	Office space, administrative and shared personnel support services \$25,000
	5,470,714 Class B Ordinary Shares <sup>(1)</sup>	
	440,000 private units (or 477,500 if the underwriters exercise the over-allotment option) to be purchased simultaneously with the closing of this offering <sup>(2)</sup>	\$4,400,000 (or \$4,775,000 if the underwriters exercise the over-allotment option)
	1,000,000 OTM Warrants to be purchased simultaneously with the closing of this offering <sup>(3)</sup>	\$100,000
	Up to \$180,000	Repayment of loans made to us to cover offering related and organizational expenses.
	Up to \$1,500,000 in working capital loans, which loans may be convertible into warrants of the post-business combination entity at a price of \$1.00 per warrant	Working capital loans to finance transaction costs in connection with an initial business combination
	Reimbursement for any out-of-pocket expenses related to identifying, investigating and completing an initial business combination	Services in connection with identifying, investigating and completing an initial business combination
Aldel Investors II LLC	Anti-dilution protection upon conversion of an aggregate of 6,160,714 Class B Ordinary Shares into Class A ordinary shares at a greater than one-to-one ratio	
FG		
Merchant Partner LP		
Robert I. Kauffman Hassan R. Baqar		
Stuart Kovensky Jonathan Marshall		
Meltem Demirors Peter Early Larry		
G. Swets		Issuance of the Class A ordinary shares issuable in connection with the conversion of the founder shares on a greater than one-to-one basis upon conversion

(1) Of the Class B Ordinary Shares, the non-managing sponsor investors own, indirectly through the purchase of non-managing membership interests, an aggregate of up to 3,125,000 Class B Ordinary Shares, which were purchased for \$0.004 per share.

(2) The non-managing sponsor investors have expressed an interest to purchase, indirectly through the purchase of non-managing membership interests, an aggregate of 394,667 private units (\$3,946,670 in the aggregate) at a price of \$10.00 per private unit (or 432,428 private units (\$4,324,280 in the aggregate) if the over-allotment option is exercised in full) in a private placement that will close simultaneously with the closing of this offering.

(3) The non-managing sponsor investors have expressed an interest to purchase, indirectly through the purchase of non-managing membership interests, an aggregate of up to 533,333 OTM Warrants (\$53,333.30 in the aggregate) at a price of \$0.10 per warrant (or 507,246 OTM Warrants (\$50,724.60 in the aggregate) if the over-allotment option is exercised in full) in a private placement that will close simultaneously with the closing of this offering.

## Additional questions

The taxonomy and guidance review also helped us identify questions related to appropriate tagging which we hope the SEC Structured Data team can help to address:

- Are extension elements permitted to be added, and if so, can this be clarified in the taxonomy guide?
- Is it permissible to create client-specific custom link roles to incorporate US-GAAP elements, and if so, can this be clarified in the taxonomy guide?
- Is it permissible to create client-specific custom link roles to incorporate base SPAC elements into the custom link roles, and if so, can this be clarified in the taxonomy guide?

Thank you again for the opportunity to provide input to the draft taxonomy and please let me know if you have questions or would like to discuss this further. I can be reached at [REDACTED] or [REDACTED].

Sincerely,



Campbell Pryde  
President and CEO, XBRL US