April 25, 2023

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

Attention: Chair Gary Gensler

Re: Petition for Rulemaking to allow Inline XBRL format for Resource Extraction data

Dear Chair Gensler,

We are writing to the SEC regarding the Resource Extraction mandate, adopted in 2020, Disclosure of Payments by Resource Extractions Issuers Release 34-90679. The final rule mandates standard interactive data (XBRL) reporting rather than Inline XBRL. Inline XBRL is the more current disclosure format, technically superior compared to standard XBRL for data integrity and analysis, and provides greater efficiency and robust disclosure for issuers, regulators, and investors. We respectfully petition the SEC to *allow* issuers to comply with the resource extraction mandate by reporting data utilizing Inline XBRL.

Background

The final Resource Extraction Rule amendments will require applicable resource extraction issuers:

> "...to include in an annual report information relating to payments made to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals. Section 13(q) requires these issuers to provide information about the type and total amount of payments made for each of their projects related to the commercial development of oil, natural gas, or minerals, and the type and total amount of payments made to each government. "

Under the mandate, issuers will be required to report specific payment information annually on Form SD (Specialized Disclosure). Issuers will be required to comply for "fiscal years ending no earlier than two years after the effective date of the final rules."

The data will be required as an exhibit to the Form SD report tagged in a standard XBRL data format, including:

- The total amounts of the payments, by payment type;
- the currency used to make the payments;
- the financial period in which the payments were made;
- the business segment of the resource extraction issuer that made the payments;
- the government that received the payments, and the country in which the government is located; and
- the project of the resource extraction issuer to which the payments relate.

Benefits of Inline XBRL Reporting

Since the adoption of the initial Resource Extraction rule, the SEC has proposed and mandated Inline XBRL reporting in an array of form types and disclosures for a variety of issuers. In 2018, the SEC adopted Inline XBRL reporting of financial data for corporate issuers. Since then, the Commission has expanded Inline tagging to include cover pages in corporate reports, risk return data for Mutual Funds, Pay Versus Performance executive compensation data, and more.

Inline XBRL provides tagged narrative and tabular data within a single HTML submission which is both human and machine reachable. Inline XBRL data is beneficial to the entire filing community including regulators, registrants, data aggregators and investors allowing for improved data analysis and comparability.

In the adopting release, the Commission discusses the required disclosure format for the payment data and consideration of Inline XBRL:

> The Commission recently adopted rule amendments to require the use of the Inline XBRL format for the submission of operating company financial statement information and mutual fund risk/return summaries. One commenter recommended that we require the use of Inline XBRL for Section 13(q) payment disclosure. Like the proposed rules, however, the final rules do not require a resource extraction issuer to use Inline XBRL when submitting Section 13(q) payment information. Given the nature of the disclosure required by the Section 13(q) rules, which is primarily an exhibit with tabular data, we continue to believe that Inline XBRL would not improve the usefulness or presentation of the required disclosure.

> Providing the required disclosure elements in a machine readable (electronically tagged) format will enable users easily to extract, aggregate, and analyze the information in a manner that is most useful to them. For example, it will allow the information received from the issuers to be converted by EDGAR and other commonly used software and services into an easily readable tabular format.

> When proposing to require the use of XBRL as the interactive data format, we noted that most commenters on the 2016 Rules Proposing Release that addressed the issue supported the use of XBRL but did not similarly support the use of Inline XBRL. Inline XBRL is a particular form of XBRL that allows filers to embed XBRL data directly into an HTML document, eliminating the need to tag a copy of the information in a separate XBRL exhibit.

Since the Commission has transitioned structured data reporting to Inline XBRL, requiring standard format XBRL would be regressive for Resource Extraction issuers. They would need to maintain two separate reporting standards and technologies to be compliant. In their discussions of comments received regarding standard XBRL, the SEC referenced the 2016 proposal. Inline XBRL reporting had not been mandated at that time nor fully phased in at the

time of the 2020 adoption. Past comments were not reflective of current technology, EDGAR, and industry standards. We believe that current comments would resolutely support Inline XBRL as the preferred interactive data format.

Inline XBRL will be more conducive to achieve the SEC's stated view that interactive data would "enable users easily to extract, aggregate, and analyze the information in a manner that is most useful to them." Allowing Inline XBRL will reduce the reporting cost and compliance burden to issuers. Additionally, while the resource extraction data is only required in standard XBRL under the statute, Inline XBRL reporting would allow for market and regulatory analysis and provide efficiency for issuers.

Since becoming SEC chair, you have prioritized modernizing both Commission rules and disclosure while leveraging technology. In a speech in 2022, you shared your priorities for the agency:

- First, continuing to drive efficiency in our capital markets
- Second, modernizing our rules for today's economy and technologies

Petition to Allow Inline XBRL Resource Extraction reporting on Form SD

Inline XBRL reporting of resource extraction data would ensure both these key SEC priorities are met as part of the SEC's modernization initiative. We request that the SEC issue an exemptive order allowing issuers to comply with the Resource Extraction disclosure requirements by submitting payment data on Form SD tagged in Inline XBRL rather than standard XBRL. This will allow resource extraction issuers to utilize the most current and streamlined reporting while reducing their costs and burden to comply.

In 2016, the Commission adopted an exemptive order which allowed issuers to comply with the requirement to tag financial data in structured data, by submitting Inline XBRL format rather than standard XBRL. That 2016 exemptive order serves as a model for how the Commission could provide relief to resource extraction issuers. This would not require the Commission to change the existing mandate and allow issuers to utilize the most current and efficient reporting model.

Thank you for your time and consideration.

Respectfully,

Jennifer Froberg

EDGAR Services Team
Toppan Merrill

TOPPAN
TOPPAN MERRILL
www.toppanmerrill.com