



August 30, 2021

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Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Dear Ms. Countryman:

RE: Semiannual Regulatory Agenda - File Number S7-06-21

Thank you for the opportunity to provide input to the Securities and Exchange Commission's (SEC) Semiannual Regulatory Agenda. We appreciate the Commission's interest in obtaining further input to the process of both rulemaking and rule implementation, which have a significant impact on issuers, and on application and service providers that support those issuers.

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 XBRL specification. XBRL US is a membership organization, and our members include filing agents, accounting firms, public companies, universities, software, data, and service providers, as well as other nonprofits and standards organizations. XBRL is a free and open data standard widely used in the United States, and around the world, for reporting by public and private companies, as well as government agencies.

This letter provides recommendations related to specific rules in the Regulatory Agenda, and encourages the Commission to include time within the agenda to allow the market to "test out" new rule implementations prior to compliance.

Test Environment

Our members are keenly interested in helping the Commission support registrants by ensuring that new rule enactments are efficiently implemented with minimal disruption to the EDGAR submission process. We appreciate the Commission's plans to conduct a pilot phase starting in September, to precede implementation of the Form 24F-2 in structured format. This pilot will allow vendors and issuers to test and work out any potential issues.

We encourage the Commission to establish a similar test environment prior to every new rule compliance date, particularly those with structured data components. Access to a test environment can give stakeholders the opportunity to identify, and work with the SEC, to resolve

potential problems before requirements are formally in place. We ask that as the Commission develops its agenda of new, final, and proposed rules, it considers how time can be incorporated into the schedule for testing, and for voluntary filing, if feasible.

Structured Data Items on the Agenda

Furthermore, we would like to provide additional feedback on certain items on the Commission Agenda related to structured data.

Pay versus Performance

This rule proposal, initially published in 2015, would require the registrant to provide a clear description of 1) the relationship between executive compensation paid to the named executive officer and the cumulative total shareholder return (TSR) of the registrant, and 2) the relationship between the registrant's TSR and the TSR of a peer group chosen by the registrant, over each of the registrant's five most recent fiscal years.

The proposal would also require registrants to XBRL tag the values disclosed in the table, and to separately block-text tag the disclosure of the relationship among the measures, the footnote disclosure of deductions and additions used to determine executive compensation actually paid, and the footnote disclosure regarding vesting date valuation assumptions. The XBRL portion would be required to be reported as an exhibit to the definitive proxy.

We support the requirement described in the proposal that these disclosures be reported in XBRL format. We agree with the benefits that the Commission described in the proposal, that XBRL tagging would lower the data collection cost to investors, enable more timely analysis, facilitate comparisons between companies, and improve the ability to analyze how a single issuer's data changes over time.

Regarding the assumptions and calculations underlying the computation of compensation actually paid, we agree with the reasoning in the proposed rule that changes in the value of equity grants after the grant date are a primary channel through which pay is linked to performance. Estimates developed based on assumptions computed by shareholders could differ from those computed by the registrant, therefore shareholders may be interested in the registrant's vesting date valuation assumptions.

To address this, the Commission proposes that *"a registrant would be required to disclose vesting date valuation assumptions if they are materially different from those disclosed in its financial statements as of the grant date."* We support the proposal that valuation assumptions and values (e.g., interest rate, stock price volatility, dividend yield, dilution) be tagged to facilitate comparisons over time and across registrants (especially comparisons with the peer group) in these assumptions.

Since the proposal was first published in 2015, there have been a number of developments that the Commission should consider as it prepares the final rule. First, Inline XBRL is now required for all public company issuers. We suggest that the Commission require Inline XBRL rather than

conventional XBRL, to be consistent with other XBRL-formatting requirements for public companies. The use of Inline XBRL would also eliminate the need for issuers to create a separate exhibit to the filing as described in the 2015 proposal. The XBRL tagging of the Pay versus Performance table could be incorporated directly into the DEF 14A.

Second, we noted that while many comments received by the Commission agreed with the proposed XBRL tagging, several commenters expressed concern that XBRL preparation would be overly burdensome to filers, and that few investors used XBRL formatted data. Much has changed in the last six years that makes these comments significantly less accurate today.

Many issuers have embedded the XBRL preparation process into their internal systems by using one of the many disclosure management applications available on the commercial market. These applications allow companies to prepare a variety of documents for disclosure and internal reporting purposes. As such, XBRL preparation is a standard, integrated part of the financial reporting process. Tagging an additional report would impose minimal burden as it is likely that the proxy is prepared with the same tools used to prepare the financials. The financials are currently required to be tagged.

In addition, investors, analysts, and data analytics providers that serve them, have expressed a clear preference for machine-readable, XBRL data. As noted by Refinitiv in a recent video¹, *“...the use of XBRL... has benefited both Refinitiv clients and the investment communities we serve by enabling us to make significant strides in how quickly we can deliver our fundamental data to the markets. In many instances that time has reduced from days to minutes.”*

In the same video, Morningstar noted that *“Extracting data from an HTML document takes at least 20 minutes, from a good quality PDF, takes around 30 minutes, from an image around 50 minutes. Data pulled from an XBRL file though, can be extracted in 1 to 2 seconds... let’s us focus on better analytics rather than scraping data from documents.”*

The greater timeliness, ease, and therefore reduced data processing cost, enables the better analytics that the Commission described in the rule proposal. Therefore, we believe that today, even more so than in 2015 when the proposal was first published, the value of XBRL data to investors is proven.

Filing Fee Disclosure and Payment Methods Modernization

We also wish to reiterate our support for the XBRL tagging requirement described in this rule proposal. The proposal would amend most fee-bearing forms, schedules, statements, and related rules to require each fee table and accompanying disclosure to include required information for fee calculation in a structured (XBRL) format. The aim of the proposal is to improve filing fee preparation and payment processing by enabling enhanced validation and improved efficiency of the payments process.

¹ XBRL for Analysts and Investors: <https://xbrl.us/news/analyst-video/>

In XBRL US' letter of February 25, 2020², we noted our support for the proposal as written, and went on to encourage the Commission to allow for a test pilot period and made suggestions for various efficiency tools that could help issuers by leveraging the machine-readable fee data.

In addition to those recommendations, we encourage the Commission to publish the taxonomy to be used in conjunction with this rule proposal as soon as possible so that vendors can evaluate how best to assist issuers in complying with the new rule. We also suggest that the Commission align fee filing compliance dates for companies that do not yet file in XBRL with their upcoming Inline XBRL filing compliance dates. These companies include BDCs, Closed End Funds, and investment companies using Form N-1A. These companies will need a longer lead time to establish the internal processes to manage XBRL preparation. It would be more efficient to synchronize their fee filing compliance dates with their first compliance dates for inline XBRL, which are set to begin August 2022.

Listing Standards for Recovery of Erroneously Awarded Compensation

The final proposal on the SEC Agenda we wish to address, would require the Commission to adopt rules directing the national securities exchanges and national securities associations to prohibit the listing of any security of an issuer that is not in compliance with Section 10D's requirements for disclosure of the issuer's policy on incentive-based compensation and recovery of incentive-based compensation that is received in excess of what would have been received under an accounting restatement. A listed issuer would be required to submit the policy as an exhibit to its annual report, and to do so in XBRL format using block-text tagging.

We support the proposal to provide the disclosure in XBRL format, however we recommend that the disclosure be tagged using Inline XBRL and be incorporated into the definitive proxy or information statement rather than as an exhibit. The definitive proxy may already have some level of tagging, assuming the Pay versus Performance proposal goes through so it will be easier for the issuer to tag all in a single document. Similarly, if the data is all reported within the DEF 14A, it will be easier for data users to extract and use, rather than requiring them to go to multiple documents.

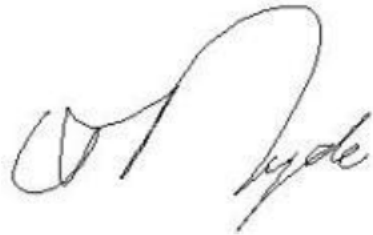
We noted that while many investor-related industry organizations expressed support for the XBRL tagging in the initial comments submitted in 2015, some commenters noted concerns about the cost of XBRL preparation for filers, and about the use of XBRL data. Our comments above related to Pay versus Performance address the same issues here.

² XBRL US Letter RE: Filing Fee Disclosure and Payment Methods Modernization, File Number S7-20-19: <https://xbrl.us/wp-content/uploads/2019/12/XBRL-US-Comment-RE-SEC-File-Number-S7-20-19-Fee-Based-Filings.pdf>

In conclusion, we appreciate the opportunity to provide input to the SEC's Regulatory Agenda. By working with the vendor and issuer community, the Commission can improve the efficiency of the roll-out of new disclosure requirements and ensure the success of new reporting programs.

Please feel free to contact me if you have any follow up questions or would like to discuss. I can be reached by emailing [REDACTED]

Respectfully,

A handwritten signature in black ink, appearing to read "Campbell Pryde". The signature is fluid and cursive, with a large initial "C" and "P".

Campbell Pryde,
President and CEO