



U.S. Securities and Exchange Commission
100 F Street NE Washington, DC 20549-1090

25 February 2022

Re: File No. S7-06-22: Modernization of Beneficial Ownership Reporting

FundApps automates beneficial ownership reporting in 102 countries, and this gives us unique insight into the state of play and trends across the globe. Regarding the three most significant of the proposed changes we have the following comments:

1. Shortening the filing deadlines for 13D/G

The majority of jurisdictions currently impose a T+4 disclosure basis or shorter. The European Union and United Kingdom are T+4, Hong Kong, Singapore and Australia are T+2/3. Some countries such as Norway even require same day disclosure.

Bringing the 13G QII regime to 5 days after month-end would create a more level playing field and greatly benefit market transparency.

2. Including cash-settled derivatives (CSDs) in “deemed” beneficial ownership

Again, with reference to global markets, it is standard practice for beneficial ownership reporting to include CSDs.

The use of CSDs has grown exponentially since 13D/G was last updated and it is a widely held belief that CSDs are used in preference to equities largely to avoid filing obligations. Including CSDs would increase transparency about actual *economic interest* in companies which we believe should be at the heart of beneficial ownership reporting.

3. Using structured, machine-readable data in XML for filing

The internet has heralded the adoption of machine-readable data exchanged via so-called APIs. Any data which is not easily processable by machines will become largely useless as the century progresses.

Using XML would enable the SEC to process filings instantaneously and therefore allow for real-time analysis and if necessary, remedial action.

As Justice Louis Brandeis stated, “Sunlight is said to be the best disinfectant” and we believe that the proposals are all **entirely positive** for the transparency of the industry as well as the usability of the information for the SEC. Any criticisms on the basis of “adding burden” to market participants are unlikely warranted as with modern technology all of the requirements are easily covered and with very minimal cost incurrence.

Andrew Patrick White
CEO & Founder, FundApps