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May 31, 2022

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, DC 20549

Re: File Reference No. S7-10-22; *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (SEC Release Nos. 33-11042; 34-94478)

Dear Ms. Countryman:

Deloitte & Touche LLP is pleased to respond to the request for public comment from the Securities and Exchange Commission (the Commission or SEC) on the proposed rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (the proposal). We support consistent reporting of high-quality, reliable, and comparable information that investors need to make investment decisions. The most effective disclosures are those that are clear, concise, and focused on matters that are both material to investors and specific to the company. As noted in our letter to the Commission of June 12, 2021, in response to the request for input on climate change disclosures (June 12 letter), we support the Commission's consideration of ways it might improve its current disclosure regime to facilitate timely and material disclosure by companies, as well as investor access to that information. We therefore appreciate the opportunity to share our observations and thoughts on this proposal.

Our observations include those from our participation in the capital markets, and relate to company readiness to provide the proposed disclosures, as well as the importance of consistency of reporting among companies and across jurisdictions. In addition, we have highlighted some of the specific proposed disclosures—including those in the financial statements and those related to Scope 3 greenhouse gas (GHG) emissions—where the usefulness to investors could be impacted by implementation challenges that companies may face, especially given the level of detail and timeframe contemplated in the proposal. We have also highlighted a number of interpretive issues that may arise as companies begin to apply the proposed rules, which the Commission may want to consider as it finalizes the rules. Finally, we have shared some thoughts on the proposed governance and attestation requirements, should the Commission move forward with those elements of the proposal.

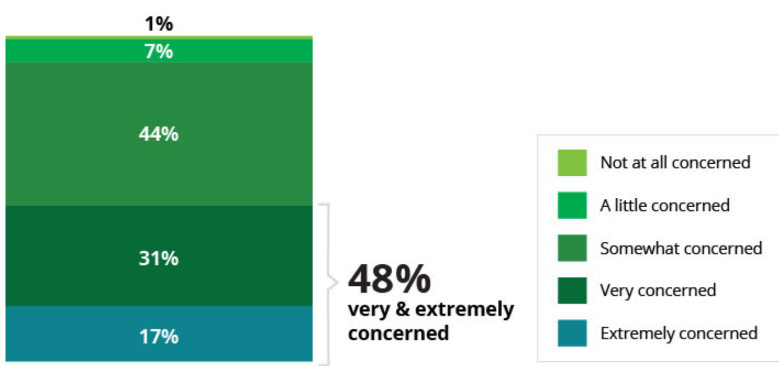
OBSERVATIONS FROM OUR PARTICIPATION IN THE CAPITAL MARKETS

As we noted in our June 12 letter, we have observed that the demand for climate-related disclosure has accelerated, in part because of an increasing focus by investors and other users on the importance of this information to companies' performance. While recent events have prompted many companies to increase focus on Environmental, Social, and Governance (ESG) topics, including climate-related matters, many are still developing governance structures, processes, and controls for accumulating, analyzing, and reporting this information. This is true even for large accelerated filers and those companies that currently provide robust ESG disclosures. We have also observed that companies that currently report ESG information do so under a variety of standards and frameworks; we believe that it is important to support the efforts to converge the disclosure standards in order to achieve the goal of providing investors with consistent and comparable information across companies.

***Company readiness**.* Our observations on companies' readiness to provide specific climate disclosures in SEC filings, such as those in the proposal, are supported by our survey of 300 senior finance, legal and sustainability leaders (ESG Executive Survey), which we conducted in the fourth quarter of 2021.[1] Respondents included a cross-industry representation of public companies in the United States with revenues greater than $500 million. Overall, the results showed that companies were making investments in technology, controls, and resources as they worked toward more reliable and timely data for ESG reporting. While the results highlighted the progress that companies had made in integrating ESG into their core activities, they also highlighted the challenges companies still face in preparing to provide high-quality, reliable, and consistent ESG disclosures, including GHG emissions disclosures. Key findings from the survey related to company readiness include:

- *Preparedness for emissions reporting* – Preparedness for GHG emissions disclosures varied widely. Fifty-eight percent of respondents noted they were prepared to disclose Scope 1 GHG emissions and 47% were prepared to disclose Scope 2 emissions. However, only 31% were prepared to disclose Scope 3 emissions. Part of this limited preparedness was attributed to technology and data issues. Almost all of the respondents expressed some level of concern about not having adequate technology to support ESG disclosure requirements, and nearly half were very or extremely concerned. *See figure 1 below for range of responses.* Respondents also noted their greatest challenges with ESG data included availability of data (32%), quality of data (25%), ability to review (22%), and aggregation (21%).

Figure 1



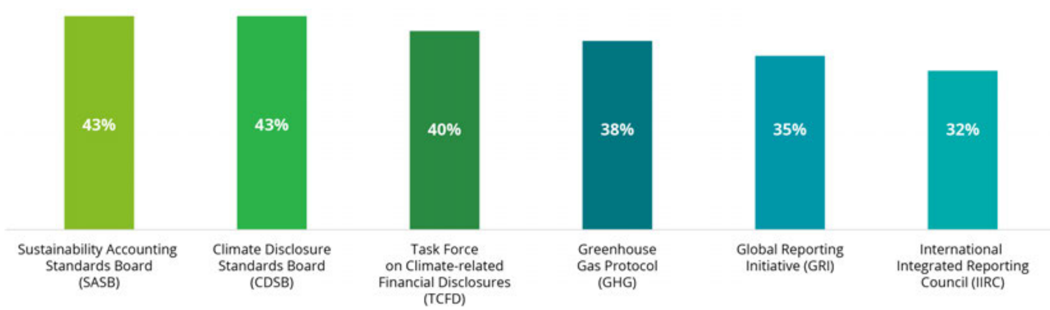
[1] See *ESG executive survey: Preparing for high-quality disclosures* (March 2022), available at: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/audit/us-esg-preparedness-disclosures-reporting-requirements.pdf

- *Resource constraints* – Despite increased focus on ESG matters, less than a quarter of survey respondents (21%) had an ESG council or working group in place to drive strategic attention to ESG topics (although more than half were actively working to establish one). For many, current staffing levels were not keeping up with an increased ESG reporting workload, with 82% of senior executives not completely confident that their organization was properly staffed to meet the demands of increased ESG disclosures.

While we do believe the Commission's proposal will drive companies to increase efforts for readiness specific to climate disclosure, in order to provide investors with consistent, comparable, and reliable information, it will be critical that companies have adequate time to prepare, especially given that even companies that currently report GHG emissions most often do so outside of their Form 10-K, much later in the year; the proposed rules will accelerate the time each year that companies will have to report this information.[2] We therefore encourage the Commission to explore transition needs in detail, with a variety of companies.

Disclosure consistency. We have observed that the lack of standard methodologies, assumptions, and estimation approaches also affects companies' readiness. This observation is supported by our ESG Executive Survey which showed that the use of multiple reporting standards or frameworks is common; 53% of respondents used two and 37% used three or more. Reporting was relatively evenly split among a number of standards or frameworks. *See figure 2 below for detail on use of specific standards and frameworks (as noted, companies may use more than one).*

Figure 2



We believe that these various private sector efforts to establish ESG disclosure standards have contributed to the current quality, transparency, and relevance of existing ESG disclosures. However, in some cases they also have resulted in duplication and/or parallel reporting, and therefore have not resulted in the level of consistency and comparability across companies that would exist if there were a recognized baseline set of standards.

Informed by our experience related to the efforts to converge accounting standards over past decades, we believe that global convergence is important given the global nature of many companies, and because global issues benefit from global solutions. We therefore commend the Commission for leveraging the existing standards of the Task Force on Climate-related Financial Disclosures (TCFD), as well as the GHG Protocol, in developing its proposal, as a means to encourage greater consistency in reporting. We are also encouraged by the progress made by the new International Sustainability Standards Board (ISSB), which shortly after the

[2] The ESG Executive Survey showed significant variation in where and how companies choose to disclose sustainability information, with many indicating that they currently report ESG information outside of SEC filings.

release of the Commission's proposal launched its own consultation on its first two proposed standards—one sets out general sustainability-related disclosure requirements, and the other specifies climate-related disclosure requirements. The ISSB is addressing many of the same disclosures as the SEC, although the ISSB did not propose specific disclosure of metrics in the financial statements. As we noted in our June 12 letter, we believe that the ISSB is well-positioned to lead the efforts to rationalize existing disclosure standards and frameworks by serving as a common global baseline on which jurisdictions can build. We encourage the Commission to continue to actively engage in dialogue about convergence of ESG standards, including in its role as co-chair of the International Organization of Securities Commissions (IOSCO) Technical Expert Group.

International coordination on disclosure standards will be especially important as disclosure regimes develop around the globe, which could result in companies with global operations being required to follow local requirements in several different jurisdictions. This includes not only Foreign Private Issuers, who may be subject to home-country disclosure requirements, as well as the Commission's rules, but also some U.S.-based multinational corporations that could be subject to reporting requirements in other jurisdictions due to the nature and size of their operations. In addition to the significant compliance costs for such companies, duplicative or overlapping reporting in different jurisdictions on the basis of varying standards could challenge the SEC's goal of providing consistent and comparable information to investors.

Financial Statement Disclosures

We understand that the requirements in the proposal for financial statement disclosures are intended to increase consistency and comparability among companies by prescribing disclosure of climate-related financial statement metrics and specifying the basis of calculation for those metrics and their presentation. We have identified several potential implementation challenges and interpretive questions related to these disclosures that are likely to arise if the rule is adopted as it is currently proposed.

Line-item disclosures. The proposal would require companies to provide certain climate-related information, on a line-item basis, unless the impact on the line item is less than one percent of the total line item for the relevant fiscal year. A threshold that low is unusual in the financial statements. The proposal notes that a similar threshold is used in the application of excise taxes as a percentage of total sales, however total sales is generally one of the largest line-item amounts in the financial statements, and excise taxes are able to be precisely measured. In contrast, the impact of severe weather events and transition activities are much more likely to require judgment and estimation, and the proposal would require that the one-percent threshold for these amounts be applied across all line items, no matter their size. Identifying what to include in the disclosures and how to measure the impact will be challenging. When considering company readiness, we would expect that many companies will need to develop additional processes, procedures, and internal controls to track information at this more detailed level.

The Commission should consider whether this level of detailed disclosure is useful to investors, or if it may risk confusion among investors who may equate the level of detail with a level of precision that is not consistent with the nature of these disclosures. The Commission could instead require companies to disclose the impact of severe weather events and transition activities as they do for other disclosure requirements—in the context of the financial statements as a whole and consistent with the SEC's established materiality definition.[3]

[3] See 17 CFR 240.12b-2 ("Material. The term 'material,' when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered.").

Historical period disclosure. The proposal would also require the presentation of historical periods in the financial statements (two years for balance sheets and three years for income statements and cash flow statements (two years for smaller reporting companies)). Requiring historical period presentation without any transition may be especially challenging for large accelerated filers, who under the proposal would be required to present data for 2021, 2022, and 2023 in the first year of implementation, because calculating those disclosures, in most cases, had not been contemplated during the historical periods. We therefore suggest the Commission consider input from companies on the feasibility of fulfilling this requirement in the initial years.

We note that the proposal states that if the historical information necessary to calculate or estimate metrics is not available without unreasonable effort or expense, companies may be able to rely on the Commission's Rule 409 or Rule 12b-21 to exclude that metric. In our experience, this exemption has generally been viewed as very difficult to satisfy, and companies therefore rarely avail themselves of it. If the Commission believes it would be appropriate for companies to rely on these exemptions because they have not previously gathered and/or reported this information for these historical periods, it might consider providing guidance about the level of effort needed that the Commission would consider unreasonable. Alternatively, the Commission might consider allowing for prospective adoption (i.e., if the requirements apply to large accelerated filers for the first time in their 2023 annual reports, financial metrics would only be required for 2023, and the historical periods would phase in over time). Similar consideration should be given to the provision of historical information in the proposed GHG emission disclosure.

Interpretive clarifications. Due to the detailed nature of the proposed disclosure, we anticipate that a number of interpretive issues may arise as companies begin to apply the proposed rules. If companies' interpretations differ, disclosure will be less consistent and comparable for investors. We therefore suggest the Commission consider clarifying or providing additional guidance on the following items if they are retained in the final rule.

- The proposal would require separate disclosure of the financial impact of transition activities and expenditures to mitigate the risks from severe weather events and other natural conditions. In some instances, these impacts would be difficult to isolate. For example, the proposal gives examples of severe weather events and other natural conditions (flooding, drought, wildfires, extreme temperatures, and sea level rise). Some events, however, may have multiple contributing causes, or the cause may not always be clear (e.g., wildfires that involve human action, such as arson or negligence). It may also be difficult to isolate the impact of climate-related events on certain external costs (such as transportation and insurance). A similar difficulty may arise as companies attempt to isolate the financial impact of transition activities, such as when a company replaces an asset because it is at the end of its useful life, but the replacement is more energy efficient. Moreover, valuation of tangible or intangible assets could be affected by climate-related developments, but similarly those may be difficult to isolate. While we recognize that the Commission may not be able to anticipate every fact pattern, without additional guidance, different companies may take differing approaches to disclosure about such events.

- The proposal would also require disclosure of the financial impact of severe weather events and other natural conditions. Similar to the difficulties identified above to isolate the financial impact of transition activities and expenditures, isolating the impact of severe weather events may be challenging. This may be the case particularly for revenue (e.g., whether lower sales of certain products are due to climate considerations or other market conditions). The Commission may consider providing further guidance on how to calculate the estimated loss of revenue from disruptions to business operations in order to help ensure consistent and comparable disclosure.

- In addition to considering further guidance on the points above, the Commission could also consider simplifying the requirement so that all climate impacts are considered in the aggregate, rather than distinguishing between those attributable to events versus transition activities.[4] In some instances, the distinction between the financial impact of events and transition activities may not be clear. For example, the portion of the cost to replace a fixed asset that is directly attributable to an event, versus part of a transition activity, may not be clear when multiple factors are at play (e.g., an event changes the timing of an already planned replacement).

- The proposal would require that when calculating climate-related metrics, the company must "Whenever applicable, apply the same accounting principles that it is required to apply in preparation of the rest of its consolidated financial statements included in the filing." The term "whenever applicable" in this context could be confusing. Because these metrics would be included in the financial statements, the presumption is that U.S. Generally Accepted Accounting Principles (GAAP) would be applied. If the Commission has in mind that there are circumstances when the principles used could deviate, an example could be helpful. We observe that the GHG disclosure requirement in proposed Item 1504(e)(2) requires that disclosures be based on the same set of accounting principles applicable to the company's consolidated financial statements. The Commission may consider using the same approach here.

- Proposed Item 14-02(i) provides that "a registrant must also include the impact of any climate-related risks…, identified by the registrant pursuant to § 229.1502(a)." It is unclear what climate-related risks are meant to be identified by this requirement that would not already be identified by the requirements of Item 14-02(c)–(h). If the Commission has a specific circumstance in mind, an example may be helpful.

- Item 14-02(j) of the proposal states that disclosure of opportunities arising from severe weather events and other natural conditions is optional. However, proposed Item 14-02(b) references subsection (j)[5] as a required disclosure if the impact is greater than one percent. The Commission should consider clarifying the intended interplay between subsections (b) and (j) of Item 14-02.

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[4] Regarding transition activities, proposed Item 14-02(d)(3) states financial impacts may include *(emphasis added)*:

> *<u>Changes to the carrying amount of assets</u> (such as intangibles and property, plant, and equipment) due to, among other things, a reduction of the asset's useful life or a change in the asset's salvage value by being exposed to transition activities.*

Proposed Item 14-02(e) states *(emphasis added)*:

> *Disclose separately the aggregate amount of expenditure expenses and the aggregate amount of capitalized costs incurred during the fiscal years presented to mitigate the risks from severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise. For example, a registrant may be required to disclose the amount of expense or capitalized costs, as appliable, to increase the resilience of assets or operations, <u>retire or shorten the estimated useful lives of impacted assets</u>, relocate assets or operations at risk, or otherwise reduce the future impact of severe weather events and other natural conditions on business operations.*

[5] Proposed Item 14-02(b) states *(emphasis added)*:

> *(1) Disclosure of the financial impact on a line item in the registrant's consolidated financial statements pursuant to paragraphs (c) and (d) of this section <u>(including any impacts included pursuant to paragraphs (i) and (j) [the paragraph related to opportunities] of this section)</u> is not required if the sum of the absolute values of all the impacts on the line item is less than one percent of the total line item for the relevant fiscal year.*
> *(2) Disclosure of the aggregate amount of expenditure expensed or the aggregate amount of capitalized costs incurred pursuant to paragraphs (e) and (f) of this section <u>(including any impacts included pursuant to paragraphs (i) and (j) of this section)</u> is not required if such amount is less than one percent of the total expenditure expensed or total capitalized costs incurred, respectively, for the relevant fiscal year.*

GHG Emission Disclosures

As noted, we believe that the fact that the proposal leverages existing standards of the TCFD and the GHG Protocol contributes to the goal of greater consistency and comparability in reporting across companies, as well as across jurisdictions. As with the proposed financial statement disclosures, we recommend the Commission consider whether the specificity of some of the proposed requirements in this area may give rise to the need for additional transition time, guidance, or clarification, as well as whether the disclosure as proposed would be useful to investors.

Disaggregation of GHG disclosures. The proposal would require disclosure of Scope 1, 2, and 3 emissions disaggregated by each constituent greenhouse gas. Disclosure of disaggregated emissions by greenhouse gas is not required by some of the most prevalent disclosure standards and frameworks (*e.g.*, GRI or the SASB) and therefore is currently not provided by many companies. For Scope 1 and 2 emissions, measurement methods are generally more standardized and companies may technically be able to access disaggregated data because it is already included in their overall GHG inventory, if they currently track that data. That data, however, may not be readily available and in some cases the amounts may be trivial and therefore of uncertain value to investors. As for Scope 3, many emissions category calculation methods are estimate-based and rely on proxy data; the potential variance in actuals can be significant and is largely unknown in many instances. Especially given these challenges, the Commission may consider whether the disaggregated data by each constituent greenhouse gas should only be required to be disclosed when individually material.

Scope 3 emissions disclosure. The proposal would require that companies disclose total Scope 3 emissions if material, or if the company has established a reduction target or goal that includes Scope 3. The Commission might consider further guidance on how the SEC's established materiality definition applies to Scope 3 emissions. The data and technology challenges in accumulating, analyzing, and reporting Scope 3 emissions, combined with the uncertainty around the nature and timing of climate-related impacts on a company's business, may make materiality assessments much more difficult than materiality assessments that have traditionally been made in the context of a company's financial disclosures. This may affect the goal of companies providing consistent, comparable, and reliable information. The proposal would also require that in determining whether its Scope 3 emissions are material, companies must include GHG emissions from outsourced activities that were previously conducted as part of their own operations. This requirement could cause confusion because it appears redundant, given that outsourced activities are already contemplated in the standard definition of Scope 3 emissions. We also encourage the Commission to consider feedback from companies about whether the proposed implementation timeline provides sufficient time to address the challenges specific to the reporting of Scope 3 emissions so that companies can provide investors with consistent, comparable, and reliable information.

Organizational and operational boundaries. The proposed rule provides that organizational boundaries should be based on the same set of accounting principles applicable to the company's consolidated financial statements. That is, GHG emissions disclosed under the proposed rule would reflect all GHG emissions for consolidated subsidiaries and the company's share of GHG emissions for investments for which the company applies either proportional consolidation or the equity method of accounting. Entities would be reflected in the Scope 3 GHG emission disclosures if they are not consolidated, proportionally consolidated, or accounted for under the equity method. There are some inherent measurement challenges with this proposed requirement.

For example, certain industries apply alternative consolidation principles. U.S. GAAP generally requires that investment companies record all investments at fair value regardless of underlying ownership percentage. One key interpretive question for investment companies therefore may be whether a fund that applies fair value accounting for a controlled investment should include the emissions of the underlying investee as Scope 3, because—consistent with investment company accounting principles—the investee is not consolidated, proportionally consolidated, or accounted for under the equity method. Moreover, with regard to the proposed requirement to disclose performance against climate goals and targets, many companies have set climate goals and targets using organizational boundaries under the GHG Protocol,[6] rather than consistent with financial statement boundaries.

For these reasons we think the Commission should consider allowing companies to report consistent with the boundaries set out in the GHG Protocol, which would be consistent with many companies' current practice.

Reference to GHG. More broadly, as previously noted, we believe leveraging the GHG Protocol would contribute to the goal of greater consistency and comparability in reporting across companies and across jurisdictions. We therefore recommend that the Commission consider not only allowing reporting consistent with GHG boundaries, but also explicitly recognizing the GHG Protocol within its rules. Recognizing the GHG Protocol could assist companies in addressing implementation interpretive issues that are likely to arise, as well as allow for companies' SEC disclosure to evolve in concert with the evolution of the GHG Protocol. Reference to external disclosure frameworks has precedent in the Commission's rules, most notably in the Commission's recognition of the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).[7]

Transition. The Commission should consider input from companies as to whether additional transition time may be needed for GHG emission disclosure. We have observed that, even within a single category, the availability of data, maturity, and consistency of existing calculation methodologies can vary substantially. For example, companies may have equity method investments (EMIs) in private companies that are not reporting GHG emissions and therefore may need additional transition time to set up systems and processes to collect this information from these EMIs, especially given that this would include Scope 1 and 2 information that would be subject to attestation under the proposed rules.

GOVERNANCE DISCLOSURES

We have observed that oversight of climate-related issues is an increasing area of focus for boards, and we agree with the Commission that such oversight is a critical aspect of governance. We have also observed that the most effective board structures are tailored to the needs of the company (e.g., taking into account industry, company structure, company maturity). Our ESG Executive Survey revealed that there is often overlap in ESG oversight responsibilities. When asked who is responsible for governance oversight, respondents were able to select up to two options (thus yielding results greater than 100%): 54% of respondents noted the executive leadership team most often has responsibility for oversight, followed by an ESG/sustainability committee (41%), the audit committee (39%), the nominating and governance committee (39%), or the full board of directors (37%).

We agree with the Commission that board understanding of critical oversight topics is important, including confirming that there is an experienced management team that understands the board's role and how to discuss strategic topics with the board. A board must be informed and knowledgeable enough to advise and challenge management in all areas of its oversight. Boards themselves acknowledge this need, and therefore many use a

[6] See https://ghgprotocol.org/. Scopes 1 and 2 emissions are covered by *A Corporate Accounting and Reporting Standard, Revised Edition*. Scope 3 emissions are covered by *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

[7] See 17 CFR 240.13a-15.

matrix to define and identify the skills, experiences, and diversity needed to execute their duties effectively. We have observed that once needed skills for the board are identified, those can be obtained in a number of ways, including recruiting members with special skills and education of existing board members, either individually or collectively.

We note that in addition to proposing to require disclosure about whether any member of a company's board has expertise in climate-related risks, the Commission recently proposed similar disclosure related to board cybersecurity expertise. While specific expertise may be valuable in some cases, in general, especially given the limited size of boards, we do not think it is practical for all boards to recruit dedicated experts in each of its critical oversight areas. While we recognize that neither of the Commission's proposals requires a designated board expert, we believe that, especially when the two proposals are read together, some may conclude that the Commission is signaling its preference that such experts be identified.

We therefore encourage the Commission to consider whether existing proxy rules (which require disclosure of the particular experience, qualifications, attributes, or skills of board nominees), when combined with proposed disclosure regarding board oversight of a company's climate-related risk, may be sufficient to inform investors about the role of the board in climate-risk oversight, without a separate requirement to identify climate experts.

Climate-Related Risk Disclosure

The proposal would require climate-related risk disclosure in a new section of companies' annual reports, separate from other risk factors. The detailed nature of the proposed requirements could give rise to some interpretive questions that the Commission should consider in finalizing the proposal. For example, the proposal would require the actual and potential impacts of climate-related risks and the time horizon for each described impact (i.e., short, medium, and long term). The proposal does not, however, provide a definition of these time frames. This may result in different interpretations that could result in less comparability across companies.

The proposal would also require companies to describe any analytical tools "such as scenario analysis" that they use to assess the impact of climate-related risks. If the Commission has in mind tools beyond scenario analysis, it may be helpful to provide additional examples to promote consistent interpretation among companies.

Attestation Requirements

We believe the Commission should consider input from a variety of stakeholders about the value of assurance in supporting consistency, comparability, and reliability of climate-related disclosure. As one point of reference, our ESG Executive Survey showed that three in four executives planned to obtain assurance over ESG disclosures in the next reporting cycle, which would seem to validate the value the capital markets place on assurance. If the Commission determines to move forward with an assurance requirement, we have a few observations we encourage it to consider as it finalizes the proposal.

Investor understanding. Investors should understand the nature of the assurance that is being provided. The proposal provides that a company that is not required to include an attestation report must disclose if the company's GHG emissions disclosures were subject to third-party attestation or verification. The Commission may want to consider feedback about the general understanding of "verification" and how that differs from attestation. The proposal also sets certain minimum standards for attestation services, but does not adopt a specific attestation standard for assuring GHG emissions. We believe that all three of the standard setters that the Commission mentions in the proposal (the Public Company Accounting Oversight Board, the American Institute of CPAs, and the International Auditing and Assurance Standards Board) are well-established and therefore would provide needed transparency to investors. Beyond those three, we do see a risk of investor confusion, and the Commission therefore may consider whether investors understand the variety of assurance standards and the related independence and objectivity requirements, as well as whether the use of a larger variety of assurance standards may compromise the consistency, reliability, and comparability of disclosure and the value of assurance provided.

Identification of experts. As the Commission noted in the proposal, it currently provides that a review report on unaudited interim financial information by an independent accountant shall not be considered an "expert" report in a registration statement.[8] We believe a similar accommodation for limited assurance on GHG emissions would be appropriate, for the same reasons that we understand the Commission currently provides the accommodation for interim reviews—that is that the nature of the assurance is substantially different from reasonable assurance.

Transition. The Commission might also consider clarifying the level of assurance (if any) that is required for historical periods disclosed in the proposed GHG emissions disclosure. For example, under the proposal, limited assurance would come into effect for fiscal year 2024 for large accelerated filers. The Commission should consider clarifying whether limited assurance would be required only for the 2024 data (and prospectively), or whether the comparative historical information presented should also be subject to the attestation requirements. As noted above, we think that the availability of that historical data in the initial years of implementation could be limited.

* * * *

We appreciate the opportunity to provide our perspectives on the proposal. We would be happy to discuss further any of the points of our letter. If you have any questions or would like to discuss our views further, please contact Jon Raphael at [redacted] or Christine Davine at [redacted].

Sincerely,

Deloitte & Touche LLP

Deloitte & Touche LLP

CC: Gary Gensler, Chair
Hester Peirce, Commissioner
Allison Herren Lee, Commissioner
Caroline Crenshaw, Commissioner
Renee Jones, Director, Division of Corporation Finance
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[8] See 17 CFR 230.436(c).