



# Federal Register

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**Friday,  
October 1, 2004**

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## **Part IV**

# **Securities and Exchange Commission**

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**17 CFR Parts 228, 229, 232, 240, 249, and  
270**

**XBRL Voluntary Financial Reporting  
Program on the EDGAR System;  
Enhancing Commission Filings Through  
the Use of Tagged Data; Proposed Rule  
and Notice**

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 228, 229, 232, 240, 249 and 270

[Release Nos. 33-8496, 34-50453, 35-27894, 39-2498, IC-26622; File Number S7-35-04]

RIN 3235-AJ32

### XBRL Voluntary Financial Reporting Program on the EDGAR System

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing rule amendments to enable registrants to submit voluntarily supplemental tagged financial information using the eXtensible Business Reporting Language (XBRL) format as exhibits to specified EDGAR filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940. Registrants choosing to participate in the voluntary program, expected to begin in early 2005, also would continue to file their financial information in HTML or ASCII format, as currently required. The voluntary program is intended to help us evaluate the usefulness of data tagging in general, and XBRL in particular, to registrants, investors, the Commission and the marketplace generally. A companion concept release also being issued today provides additional information on tagged data and solicits comment on the development of data tagging.

**DATES:** Comments should be received on or before November 1, 2004.

**ADDRESSES:** Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/proposed>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7-35-04 on the subject line; or
- Use the Federal eRulemaking Portal (<http://www.regulations.gov>). Follow the instructions for submitting comments.

#### Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number S7-35-04. This file number should be included on the subject line if e-mail is used. To help us process and

review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/proposed>). Comments are also available for public inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about the proposed rules, please contact one of the following members of our staff: Brigitte Lippmann or Mark W. Green, Division of Corporation Finance (202-942-2910), Eric Schuppenhauer, Office of the Chief Accountant (202-942-4400), or Brian Bullard or Toai Cheng, Division of Investment Management (202-942-0590), Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. If you have questions about the EDGAR system, please contact Richard Heroux, EDGAR Program Manager (202-942-8800), in the Office of Information Technology.

If you want to contact us about participating in the voluntary program, please contact either Brigitte Lippmann or Eric Schuppenhauer regarding non-investment companies or Toai Cheng regarding investment companies. If you are interested in participating in the voluntary program, we encourage, but do not require, you to contact us so that we can better assess the level of participation. Expressing interest is merely an indication of interest, not a commitment or a pre-condition to participate. To participate in the program, volunteers only would need to submit their XBRL format information in accordance with the proposed rules.

**SUPPLEMENTARY INFORMATION:** We propose to revise Rules 11,<sup>1</sup> 305,<sup>2</sup> 401<sup>3</sup> and 402<sup>4</sup> under Regulation S-T,<sup>5</sup> Rule 601<sup>6</sup> under Regulation S-K,<sup>7</sup> Rule 601<sup>8</sup> under Regulation S-B,<sup>9</sup> Rules 13a-14<sup>10</sup>

<sup>1</sup> 17 CFR 232.11.

<sup>2</sup> 17 CFR 232.305.

<sup>3</sup> 17 CFR 232.401.

<sup>4</sup> 17 CFR 232.402. We refer to revising Rules 401 and 402 even though they currently have no content because they are reserved in the Code of Federal Regulations.

<sup>5</sup> 17 CFR 232.10 *et seq.* We also propose to add a heading for Rules 401 and 402.

<sup>6</sup> 17 CFR 292.601.

<sup>7</sup> 17 CFR 229.10 *et seq.*

<sup>8</sup> 17 CFR 228.601.

<sup>9</sup> 17 CFR 228.10 *et seq.*

<sup>10</sup> 17 CFR 240.13a-14.

and 15d-14<sup>11</sup> under the Securities Exchange Act of 1934 ("Exchange Act")<sup>12</sup> and Rules 8b-1,<sup>13</sup> 8b-2<sup>14</sup> and 30a-2<sup>15</sup> under the Investment Company Act of 1940 ("Investment Company Act").<sup>16</sup> We also propose to revise Forms 20-F<sup>17</sup> and 6-K<sup>18</sup> under the Exchange Act and add Rule 8b-33 under the Investment Company Act.

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#### I. Background

All registrants who file with the Commission are now generally required to file electronically on the Commission's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR").<sup>19</sup> The EDGAR

<sup>11</sup> 17 CFR 240.15d-14.

<sup>12</sup> 15 U.S.C. 78a *et seq.*

<sup>13</sup> 17 CFR 270.8b-1.

<sup>14</sup> 17 CFR 270.8b-2.

<sup>15</sup> 17 CFR 270.30a-2.

<sup>16</sup> 15 U.S.C. 80a-1 *et seq.*

<sup>17</sup> 17 CFR 249.220f.

<sup>18</sup> 17 CFR 249.306.

<sup>19</sup> Rules 100 and 101 of Regulation S-T (17 CFR 232.100 and 232.101).

database, accessible on our Web site at <http://www.sec.gov>, provides ready access to a broad range of registrant information. Electronic submission of a document is governed by Regulation S-T, in conjunction with the EDGAR Filer Manual<sup>20</sup> and the electronic filing provisions of applicable rules, regulations, and forms. Under the current system, EDGAR accepts as official filings only submissions using American Standard Code for Information Interchange ("ASCII") or HyperText Markup Language ("HTML").<sup>21</sup>

As discussed in the accompanying concept release, we are evaluating whether tagged data in Commission filings would provide a better means to provide and obtain necessary information and, if so, whether we should permit or require XBRL tagged data in Commission filings.<sup>22</sup> The Division of Corporation Finance, Office of the Chief Accountant, Division of Investment Management, and Office of Information Technology have formed a task force to assess the implications of tagged data for filers, investors, the Commission and other market participants.<sup>23</sup> In order to test and evaluate data tagging, we propose to allow registrants to supplement their Commission filings by furnishing financial data on EDGAR as an exhibit using eXtensible Business Reporting Language ("XBRL"), beginning with the 2004 calendar year-end reporting season. We currently expect to permit participation by any registrant without pre-approval merely by submitting the exhibit in the required manner. Depending on the level of interest, technical concerns or other factors, it may be necessary, however, to limit participation. We emphasize that the purpose of permitting the submission of the XBRL exhibits would be to allow

registrants, the Commission and others to test and evaluate tagging technology. Although XBRL exhibits would be required to reflect the same information as appears in the corresponding part of the official filing to which they relate and would be disseminated publicly, they would be furnished rather than filed and investors and others should continue to rely on a registrant's official filings in making investment decisions rather than the XBRL exhibits. We expect to so caution users on the Commission's Web site.

## II. Development of Markup Languages

Since the EDGAR pilot program began in 1984, the Commission has required tagged data in document headers to accurately process filings.<sup>24</sup> Initially, the EDGAR filings employed ASCII text documents and tagged document headers using Standard Generalized Markup Language ("SGML").<sup>25</sup> The SGML headers allowed us to segregate data about the filing's characteristics and the registrant from the underlying filed document. Tagging also allowed us to automatically perform basic validations, store tagged data in a database, and process filings.<sup>26</sup>

As technology improved, markup languages continued to develop and HTML<sup>27</sup> became widely used in the

1990s. In May 1999, as part of our initiative to modernize EDGAR, we began to accept filings submitted to EDGAR in HTML.<sup>28</sup> Use of HTML promoted the idea of a single-use document, allowing filers to avoid expending resources creating one document for their investors, another document for their Web sites, and a third document for submission to the Commission. In the late 1990s, building on the earlier mark-up languages, Extensible Markup Language ("XML") was developed as a document markup language that assisted in automatically processing data.<sup>29</sup> XML-based languages define and name data and text through tags. Tags give data an identity and context that can be understood by a variety of different software applications that allow the data to interface with databases, financial reporting systems, and spreadsheets.<sup>30</sup>

In order to continue to reap the benefits of structured data, the EDGAR system migrated from SGML to XML in May 2000.<sup>31</sup> Since 2000, we have increased our use of XML for internal processing, replacing custom developed code. We also use XML for the headers<sup>32</sup> of documents filed on EDGAR<sup>33</sup> and in the body of Section 16(a) reports.<sup>34</sup>

In May 2003, as part of the Commission's implementation of the

appearance when viewed through multiple browsers.

<sup>28</sup> We adopted rules to permit HTML filing in Release No. 33-7684 (May 17, 1999) [64 FR 27888]. Based on suggestions from the filing community, investors, and Commission staff, we allowed filers to submit their filing documents using a modified HTML 3.2 standard. This standard enabled filers to provide more professional presentation features in their documents and enabled improved readability. EDGAR has since upgraded the version of HTML that is acceptable to a modified HTML 3.2 to a modified HTML 3.2 with some HTML 4.0 standard attributes.

<sup>29</sup> Much of the support for software devoted to SGML had started to decline. Software vendors started concentrating on XML products, thus providing a robust environment for those who used the XML format. Internet browsers also began to translate XML data and style sheets.

<sup>30</sup> Tags are standardized through the development of taxonomies (classifications), which are essentially data dictionaries that describe individual pieces of information and mathematical and definitional relationships among the pieces, identify text labels, and refer to the authoritative sources for that information.

<sup>31</sup> EDGAR Release 7.0 marks the Commission's initial use of XML where header information was changed from SGML to Extensible Forms Description Language, a derivative of XML, using certain tags dedicated to screen presentation and validation. See Release No. 33-7858 (May 16, 2000) [65 FR 34079].

<sup>32</sup> Headers contain required basic information about an electronic filing's characteristics (e.g., form type) and the registrant that filed it.

<sup>33</sup> See Section 4.4.1 of EDGAR Release 8.8 EDGARLink Filer Manual (Volume 1).

<sup>34</sup> See Sections 4.1.2 and 5.1 of EDGAR Release 8.8 OnlineForms Filer Manual (Volume III).

<sup>20</sup> See Rule 301 of Regulation S-T (17 CFR 232.301). We originally adopted the EDGAR Filer Manual on July 1, 1993, with an effective date of July 26, 1993. Release No. 33-6986 (Apr. 1, 1993) [58 FR 18638]. We most recently updated the EDGAR Filer Manual on August 6, 2004, the current version of which can be found at <http://www.sec.gov/info/edgar.shtml>. See Release No. 33-8454 (Aug. 6, 2004) [69 FR 29803].

<sup>21</sup> Section 4.1 of EDGAR Release 8.8 EDGARLink Filer Manual (Volume I of the EDGAR Filer Manual).

<sup>22</sup> See the companion concept release (Release No. 33-8497 (September 27, 2004) ("Concept Release")) soliciting comment on data tagging in general. Tags identify information in a manner that can be recognized and understood by disparate software products. We are evaluating whether by permitting or mandating formats through which financial data may be tagged in Commission filings, we may facilitate filing preparation and enable richer and faster analysis, which would assist both the financial marketplace and the Commission.

<sup>23</sup> See Press Release No. 2004-97 (July 22, 2004).

<sup>24</sup> Accompanying the adoption of operational EDGAR, we also required electronic filers to furnish a Financial Data Schedule ("FDS") with their financial statements that tagged a limited amount of financial information not involving headers or a markup language (Release No. 33-6977 (Feb. 23, 1993) [58 FR 14628]). The schedule required tagging of a number of line items identical to items included in financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). The FDSs were furnished as exhibits under former Item 601(b)(27) of Regulations S-K and S-B [17 CFR 229.601(b)(27) and 228.601(b)(27)]. The rules provided that the schedule would not be deemed "filed" for purposes of liability under the federal securities laws and not be subject to auditing standards. In April 2000, we adopted rules modernizing EDGAR (Release No. 33-7855 (April 24, 2000) [65 FR 24788]), which eliminated the FDS requirement. FDSs were also required for registered investment companies, as exhibits to certain investment company registration statements and reports on Form N-SAR (Release No. 33-6978 (Feb. 23, 1993) [58 FR 14848]). The FDS requirements were removed from the investment company registration forms in 1999 (Release No. 33-7684 (May 17, 1999) [64 FR 27888]), and were removed from Form N-SAR in 2000, at the same time the FDS requirement was eliminated for operating companies. See the Concept Release for additional discussion on the FDSs.

<sup>25</sup> The SGML document markup language was conceived in the 1970s and deployed in the 1970s and 1980s.

<sup>26</sup> We also disseminated the filed documents with the SGML header so that the subscribers who received the filing data could index the data properly according to a variety of information found and tagged in the header.

<sup>27</sup> HTML provides a standard to give documents and web pages on the Internet a consistent

Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley Act”),<sup>35</sup> we activated a Web site that gathered data for those who had to file reports of their securities holdings and transactions in accordance with Section 16(a)<sup>36</sup> of the Exchange Act. These ownership reports (Forms 3, 4, and 5)<sup>37</sup> are submitted to the EDGAR system as XML files. Filers submit the reports either by accessing our EDGAR Online Forms Web site<sup>38</sup> and responding to questions to fill in fixed fields that tag information or by creating a customized form and filing it as a reduced content filing in which information also is tagged.<sup>39</sup> Users of EDGAR data are able to download these filings from the <http://www.sec.gov> Web site, import the filing data into their spreadsheets or databases and use that data for their analysis. With the use of a Commission sponsored style sheet, the XML data in these filings can be viewed by users inside a representation of the actual form.

### III. Description of XBRL

XBRL is an open electronic standard that provides a format for tagging financial information. XBRL allows users to extract, exchange, analyze and display financial information. XBRL was developed and continues to be supported by XBRL International, a collaborative consortium of approximately 250 organizations representing many elements of the financial reporting community. Organizations in the consortium include issuers, public accounting firms, software companies, filing agents, data aggregators, stock exchanges, regulators, financial services companies, and industry associations. XBRL International and its related entities have been developing standard taxonomies<sup>40</sup> that they state classify and define financial information in

accordance with U.S. GAAP and our regulations.<sup>41</sup>

### IV. Voluntary Program

Since we adopted rules to implement the operational phase of EDGAR, we have sought to make EDGAR more useful to the investing public. XBRL provides a sophisticated system of data tagging and may offer an opportunity to enhance the analysis of information filed with us via EDGAR.

Proponents of the XBRL reporting standard assert that it offers benefits for all participants in the financial information supply chain, from registrants, who would benefit from improved transparency of their filings, resulting in broader analyst coverage, more market exposure and greater investor confidence, to regulators and investors, who would benefit from ready access to tagged financial data for analytical and review purposes.<sup>42</sup>

#### A. Objective

The purpose of the voluntary program is to further the Commission’s ability to gather and analyze data that would assist us in assessing the feasibility and desirability of using tagged data on a more widespread and, possibly, mandated, basis in the future. The voluntary program also would enable preparers and users who are interested in the technology to test and evaluate data in the XBRL format. We propose to establish a program to accept XBRL tagged data into the EDGAR system on a voluntary basis as a supplemental exhibit to a registrant’s filing. We believe that the voluntary program would better enable us to study the extent to which XBRL enhances the:

- Search capability of the EDGAR database to allow more efficient and effective extraction and analysis of specific data,
- Capability to perform financial comparisons among registrants within industries, and
- Ability to perform financial analysis of registrant financial data, such as for ratio analysis, and whether it would reduce the resources needed for data analysis.

In addition, we believe the program would enhance our ability to evaluate the:

- Impact on the staff’s ability to review filings on a more timely and efficient basis,

<sup>41</sup> XBRL International released version 2.1 taxonomies for public comment on September 20, 2004 with a request for comments to be submitted by November 19, 2004. See <http://www.xbrl.org>. See the Concept Release for a further description of XBRL.

<sup>42</sup> See <http://www.xbrl.org>.

- Use of tagged data for risk assessment and surveillance procedures, and

- Compatibility of XBRL with reporting quality, transparency, accounting principles, and other Commission reporting requirements.

Once we have gained experience with the XBRL technology, the development of taxonomies, and the manner in which XBRL is used, we will analyze the results and determine whether to terminate the voluntary program, continue it indefinitely or require some or all filers to use XBRL. If, in the future, we consider requiring filers to use XBRL, this would be the subject of a separate rulemaking proposal. We also may change the voluntary program based on our experience with the program. For example, we currently anticipate allowing all volunteers to submit XBRL data as an exhibit to specified filings under the Exchange Act and the Investment Company Act;<sup>43</sup> however, depending on the level of interest, technical concerns or other factors, it may be necessary to limit participation in some manner, such as by number of volunteers or types of XBRL submissions in the voluntary program.

#### B. Description

As part of our review and assessment of the benefits of tagged data reporting, we propose to add Rule 401 of Regulation S–T that would allow filers, on a voluntary basis, to furnish specified financial information using XBRL. Proposed Rule 401 generally would provide that a registrant participating in the voluntary program (a “volunteer”) may submit XBRL-Related Documents<sup>44</sup> in electronic format. The XBRL-Related Documents must be furnished as an exhibit to either the related filing or, alternatively, a Form 8–K or revised Form 6–K<sup>45</sup> that references, and is submitted no earlier

<sup>43</sup> These filings are Forms 10–K, 10–Q, 8–K, 10, 10–KSB, 10–QSB and 10SB [17 CFR 249.310, 249.308a, 249.308, 249.210, 249.310b, 249.308b and 249.210b] for non-investment companies, Forms 20–F and 6–K for foreign private issuers and Forms N–CSR [17 CFR 249.331 and 274.128] and N–Q [17 CFR 249.332 and 274.130] for investment companies. In addition to domestic issuers, the voluntary program is available to foreign private issuers that otherwise file financial information prepared in accordance with U.S. GAAP.

<sup>44</sup> The proposed revision to Rule 11 of Regulation S–T would make “XBRL-Related Documents” a defined term that means documents related to presenting financial information in XBRL that are part of a voluntary submission in electronic format in accordance with proposed Rule 401.

<sup>45</sup> The Forms 8–K and 6–K alternative does not apply to investment company volunteers because they generally do not file Forms 8–K and do not file Forms 6–K.

<sup>35</sup> P.L. No. 107–204, 116 Stat. 745.

<sup>36</sup> 15 U.S.C. 78p(a).

<sup>37</sup> 17 CFR 249.103, 249.104 and 249.105. Forms 3 and 4 also are authorized under the Investment Company Act under 17 CFR 274.202 and 274.203.

<sup>38</sup> See <https://www.onlineforms.edgarfiling.sec.gov>.

<sup>39</sup> A reduced content filing is a filing that provides header information (e.g., form type) and the tagged data for mandatory fields that we specify and otherwise complies with technical filing requirements.

<sup>40</sup> An XBRL taxonomy is a standard description and classification system for business reporting and financial data. Tags consist of specific financial data, such as the line items presented in the financial statements, and words or labels, such as headers in the notes to the financial statements. For example, a taxonomy may include a tag for the balance sheet line item “inventory,” as well as tags for inventory’s component accounts, “raw materials,” “work in process,” and “finished goods,” which are often disclosed in the notes to the financial statements.

than, the related filing.<sup>46</sup> In addition, the XBRL-Related Documents must reflect the same financial information,<sup>47</sup> prepared in accordance with U.S. GAAP, as appears in one or more of the following portions of the volunteer's official EDGAR filing:

- The complete set of financial statements;
- Earnings information (whether contained in the body of the related report or in an exhibit, and whether filed or furnished);
- Financial highlights or condensed financial information, as applicable (if the related filing has been filed under the Investment Company Act); or
- Schedule of investments (if the related filing has been filed under the Investment Company Act).<sup>48</sup>

The XBRL financial data should be furnished as an exhibit to specified Exchange Act or Investment Company Act filings. XBRL-Related Documents would be easily identifiable as Exhibit 100 to the filings, with appropriate extensions for the type of XBRL-Related Document, such as EX-100.XBRL-SCHEMA for the XBRL schema file.<sup>49</sup>

<sup>46</sup> If a volunteer submits the financial information using XBRL as an exhibit to a Form 8-K or Form 6-K that references the related filing, the Form 8-K or Form 6-K should so explain and a Form 8-K should provide the reference under item 8.01 of the Form 8-K.

<sup>47</sup> For purposes of the voluntary program, the financial statements, other than financial statements of investment company volunteers, should not include the related schedules. Audit opinions or interim review reports included with the audited or quarterly financial statements in the body of the official filing should also be omitted from the XBRL-Related Documents. Volunteers should label the XBRL-Related Documents (whether they are filed as an exhibit to the related official filing or to a Form 8-K or Form 6-K that references such filing) as either "unaudited" or, for quarterly financial statements, "unreviewed."

<sup>48</sup> These submissions would be made in accordance with the EDGARLink Filer Manual and the exhibit provisions of proposed Item 601(b)(100) of Regulation S-K or S-B, revised Form 20-F, revised Form 6-K or proposed Rule 8b-33 under the Investment Company Act, as applicable. The items and rule would list the Exchange Act and Investment Company Act filings, in addition to Forms 20-F and 6-K, with which volunteers could submit XBRL-Related Documents. We propose to revise Rules 8b-1 and 8b-2 under the Investment Company Act to reflect the proposed addition of Rule 8b-33. The proposed revision to Rule 305(b) of Regulation S-T would exempt the submissions from the formatting requirements of Rule 305(a) because the formatting requirements would not be needed in this context.

<sup>49</sup> Item 601(a)(2) of Regulations S-K and S-B [17 CFR 229.601(a)(2) and 228.601(a)(2)] require a filing's exhibit index to list the exhibits using the number of the Item 601(b) [17 CFR 229.601(b) and 228.601(b)] subparagraph that describes the exhibit (in this case, "100"). In the case of foreign private issuers, revised Forms 20-F and 6-K also would require volunteers to designate XBRL-Related Documents as exhibit "100." Finally, in the case of investment companies, proposed Rule 8b-33 would require them to name each XBRL-Related Document in the same way and submit these documents

The XBRL-Related Documents submitted would not replace the required HTML or ASCII version of the financial information they contain. Volunteers still would be required to file their official filings to ensure that all investors have access to information upon which to base their investment decisions.<sup>50</sup> The XBRL-Related Documents may be submitted either with the official EDGAR filing or a Form 8-K or Form 6-K<sup>51</sup> that references such filing or in an amendment to such filing or Form 8-K or Form 6-K at a later date; however, volunteers may not submit the XBRL-Related Documents before filing the related official document and would be encouraged to submit the XBRL-Related Documents with the initial filing.<sup>52</sup> Volunteers would be free to submit their XBRL exhibits regularly or from time to time and could stop or start as they choose. If a volunteer wants to amend XBRL-Related Documents it submitted earlier, it should amend the filing with which the XBRL-Related Documents appeared as an exhibit.<sup>53</sup>

We propose to open the program to all volunteers that use one of the following version 2.1 XBRL taxonomies in U.S. GAAP:

- Commercial and Industrial;<sup>54</sup>
- Banking and Savings Institutions;
- Insurance; and

separately for each series of an investment company registrant and each contract of an insurance company separate account. For example, a registrant with five series would have five separate XBRL schema files. The Filer Manual would be revised to provide more detail on this point.

<sup>50</sup> Although a volunteer's XBRL-Related Documents would be required by proposed Rule 401 to reflect the same information contained in the corresponding portion of the related official filing, investors and others should continue to rely on the official filing rather than the XBRL-Related Documents.

<sup>51</sup> As further discussed below, XBRL-Related Documents generally would not be deemed filed or incorporated by reference regardless whether they are exhibits to a document incorporated by reference.

<sup>52</sup> A volunteer that submits XBRL-Related Documents with an amendment would be required to follow the same requirements as to the amendment process as would apply if the XBRL-Related Documents were any other type of exhibit.

<sup>53</sup> A volunteer would be required to amend XBRL-Related Documents it submitted earlier if, contrary to the requirements of proposed Rule 401, the XBRL-Related Documents did not reflect the same financial information as appears in the corresponding portion of the volunteer's official EDGAR filing. It would not matter whether the difference existed at the time the XBRL-Related Documents were submitted or arose later as a result of an amendment to the official EDGAR filing.

<sup>54</sup> This taxonomy has detailed financial reporting elements specific to commercial and industrial-type companies. If a registrant is not a bank, savings institution, insurance company, broker-dealer or investment company, it would likely use the commercial and industrial standard taxonomy. See <http://www.xbrl.org>.

- Investment Companies.<sup>55</sup>

By the end of 2004, we understand that the XBRL Consortium will have finalized these standard taxonomies after at least one review and comment period.<sup>56</sup> We expect that additional standard taxonomies will be permitted on the EDGAR system as they become available.<sup>57</sup> The standard taxonomies and related linkbases would be housed on our Web site at <http://www.sec.gov>, and volunteers would link their XBRL files to these taxonomies. Users of EDGAR data on <http://www.sec.gov> would be able to download the XBRL instance document, described below, to perform their own financial analysis.<sup>58</sup> We plan to develop an application, such as a style sheet, for volunteers so that users can view XBRL data in a rendered or human readable format via our website.<sup>59</sup> This application would convert XBRL files into a document that would look similar to traditional financial information such as a balance sheet or income statement. The volunteer would be required to reflect in the rendered document the same financial information included in the corresponding portion of the official HTML or ASCII version.<sup>60</sup>

### C. Mechanics of Submitting Financial Information Using XBRL

Volunteers would likely include the following in their XBRL-Related Document submissions (described in more detail below):<sup>61</sup>

- An instance document,
- A schema file, and
- Linkbase files.

These files would be completely separate from the other data files comprising the official submission and

<sup>55</sup> The investment companies taxonomy has not yet been released for public comment but we understand that that taxonomy will be available before the date we would plan to begin the voluntary program. See <http://www.xbrl.org>.

<sup>56</sup> See <http://www.xbrl.org>.

<sup>57</sup> XBRL-US also has under development additional industry specific taxonomies, including taxonomies for broker-dealers and oil and gas companies. See <http://www.xbrl.org>.

<sup>58</sup> In order to perform financial analyses based on the instance document, users would need to use their own software.

<sup>59</sup> Although we plan on developing a standard style sheet, it may not be ready before we would begin the voluntary program. In this situation, we propose commencing the voluntary program without rendering the data to begin evaluating the usefulness of software that identifies, extracts and analyzes tagged data. We would include a standard style sheet in the program as soon as it was developed.

<sup>60</sup> Volunteers could provide data in presentation linkbase files (see discussion below) to provide additional information to the standard style sheet.

<sup>61</sup> Schema and linkbase files would be necessary only if the volunteer adds extensions to the standard taxonomy.

would appear as Exhibit 100 to the form or report.<sup>62</sup> For example, if a volunteer wants to attach XBRL-based financial statements to its Form 10-Q, it would create the content for the Form 10-Q in the normal HTML or ASCII format.

Then, in a separate action, the volunteer could use its current accounting software or another add-on product to create the financial information in XBRL format, which would be attached to the Form 10-Q as an exhibit or added later by amendment. We will not provide software, or reimburse volunteers for software, necessary to produce the XBRL-Related Documents.

#### 1. Instance Document

The instance document, which is a machine readable form, pairs a tag from the taxonomy with the related piece of financial information.<sup>63</sup> For example, where a financial statement in an official filing reports \$10 million in revenue, a "revenue" data tag from the taxonomy may be paired with a value of \$10 million. Volunteers may use a software product to create an XBRL instance document.<sup>64</sup>

#### 2. Schema File

The XBRL data file that the volunteer creates can adhere to either a standard taxonomy or a standard taxonomy with extensions. Extensions to the standard taxonomy further refine the data contained in the standard taxonomy so that the XBRL data reflects the same financial information presented in the corresponding portion of the related official filing. Such extensions would be included in a schema file. For example, the standard taxonomy might not contain tags that allow a volunteer to report revenue by segment or product line as it appears in its official filing. Revenue by segment or product line would be considered additional elements to the standard taxonomy. To use extensions for these additional elements, the volunteer likely would use taxonomy builder software to

generate a schema file. The volunteer must use the appropriate extensions to present such revenue segment or product line data in the XBRL format.

#### 3. Linkbase Files

If extensions to the standard taxonomy were necessary, a volunteer would need to create additional linkbase files to manage references, labels and relationships to the instance document.<sup>65</sup> Since the standard taxonomies would be housed on our Web site, all of the links between the instance documents and the standard taxonomies would be required to be modified by the volunteer to link to our Web site. There are at least five types of linkbase files:<sup>66</sup>

- Label links manage the text associated with taxonomy elements. For example, a <inc> reference in the taxonomy would be labeled as income. Translations to different languages may also be accomplished through label links.

- Presentation links shows the relationships between each element, including parent-child relationships and the order in which they appear. For example, raw material inventory would be a "child" to total inventory. Presentation links may also be used to display data in a specified order in a rendered document.

- Calculation links show how the elements are related by calculation, such as whether they are added or subtracted from each other. For example, cost of sales may be subtracted from revenues to show gross margin.

- Definition links define the type of element in the taxonomy. For example, depreciation would be defined as an expense.

- Reference links manage the references to authoritative literature. Volunteers would not be required to furnish all of these five types of linkbase files to submit XBRL information. Volunteers may elect to file only label, presentation and calculation linkbase files to render their XBRL financial information with the same level of detail as their official filings.

#### 4. XBRL Using EDGARLink

Once the XBRL files are created, volunteers may use the Commission client software, EDGARLink<sup>67</sup> or a third

party product to create the submission much as they do today. First, they would enter header information into the browser based EDGARLink application. Then they would attach the filing and other attachments including the XBRL files. The volunteer would be required to attach each file that makes up the XBRL-Related Documents, leaving no unresolved links. Also, the XBRL-Related Documents would be required to either accompany or be submitted as an amendment to the form or report that contains the original financial data or accompany or be submitted as an amendment to a Form 8-K or Form 6-K that references such form or report. For example, a volunteer would create a Form 10-Q filing and then create XBRL-Related Documents that contain a representation of the financial statements contained in the Form 10-Q. The volunteer would bring up EDGARLink and enter the required header information into the browser interface, attach the Form 10-Q file as the primary document in the submission, and then attach the XBRL-Related Documents. The volunteer would log onto the filing Web site and follow the current process for transmitting its submission to the Commission.

#### D. Receipt and Acceptance

Once received by the Commission, the official filing and the attached XBRL-Related Documents would undergo technical validations. The official filing would continue to follow the normal process for receipt and acceptance. That is, it would be suspended if it fails its validation criteria. If the official filing meets its validation criteria, but any XBRL-Related Documents fail their own validation criteria, all XBRL-Related Documents would be removed and the official filing would be accepted and disseminated without the XBRL-Related Documents. The volunteer would be notified of the XBRL submission problem.

#### E. Liability Issues

Because the voluntary program is experimental, and to encourage volunteers to participate, the revised rules would provide limited protections from liability under the federal securities laws and exclude XBRL-Related Documents from being subject to certification requirements.<sup>68</sup>

Proposed Rule 402(a) generally would provide that XBRL-Related Documents

<sup>62</sup> In the case of investment companies, as noted earlier, proposed Rule 8b-33 would require registrants to label their XBRL-Related Document exhibits in the same manner and submit these documents separately for each series of an investment company registrant and each contract of an insurance company separate account.

<sup>63</sup> The instance document may also contain meta data, which is data that describes other data. Additional meta data added to XBRL-tagged numbers may include decimal precision, numeric context, dates, company identifiers, language, currency and links to concept definitions. Meta data may also contain guidelines to format a standard style sheet or other application for a standard template.

<sup>64</sup> Volunteers would not be required to use a software product to create the file. They could create a text file and enter the data themselves.

<sup>65</sup> The standard taxonomies already have linkbase files associated with their own elements.

<sup>66</sup> Additional linkbases may be developed, such as formula linkbases.

<sup>67</sup> EDGARLink will be changed to allow the attachment of .xml and .xsd files for this purpose. The EDGARLink Filer Manual will be updated with instructions on how to attach all files and how to link to the taxonomies on our Web site.

<sup>68</sup> If, in the future, we were to issue a separate proposal to mandate filing XBRL-Related Documents, we expect that we would not propose liability protection or an exclusion from the certification requirements as to these documents.

submitted in the program, regardless whether they are exhibits to a document incorporated by reference into a filing:

- Are not deemed filed for purposes of Section 18 of the Exchange Act,<sup>69</sup> Section 16 of the Public Utility Holding Company Act of 1935 (“Public Utility Holding Company Act”),<sup>70</sup> Section 323 of the Trust Indenture Act of 1939 (“Trust Indenture Act”) <sup>71</sup> or Section 34(b) of the Investment Company Act;<sup>72</sup>
- Are not deemed incorporated by reference;
- Are not otherwise subject to the liabilities of these sections;<sup>73</sup>
- Are subject to all other liability and anti-fraud provisions of these Acts;<sup>74</sup> and
- Are deemed filed for purposes of Rule 103 of Regulation S-T.<sup>75</sup>

Proposed Rule 402(b) generally would provide that a volunteer is not liable under these Acts for information in its XBRL-Related Documents that reflect the same information that appears in the corresponding portion of the official version of the related filing, to the extent that the information in the corresponding portion of the official filing was not materially false or misleading.<sup>76</sup> Proposed Rule 402(b) also generally would provide that, to the extent the information in a volunteer’s XBRL-Related Documents does not reflect the same information, the information in the XBRL-Related Documents would be deemed to reflect the same information for purposes of proposed Rule 402(b) if the volunteer had made a good faith and reasonable

attempt to reflect the same information and, as soon as reasonably practicable after the volunteer becomes aware of any difference, the volunteer amends the XBRL-Related Documents to cause them to reflect the same information.

Later in this release, we solicit comments on whether liability protections for XBRL data in the voluntary program should be increased beyond or decreased from that proposed.

Finally, proposed paragraph (h) of Rules 13a–14 and 15d–14 under the Exchange Act and proposed paragraph (d) of Rule 30a–2 under the Investment Company Act would exclude XBRL-Related Documents from being subject to the certification of disclosure requirements of the rule of which it is a part.

#### V. Specific Request for Comments

We request comment in general on the proposed voluntary program and rules. We also request comment in particular as follows:

1. Is the proposed rule permitting volunteer filers to furnish financial information in XBRL appropriate? Is there a better way to accomplish testing and analysis of XBRL data?

2. For purposes of the program, volunteers can furnish in XBRL format, among other types of financial information, a complete set of financial statements. Are there special issues or difficulties raised by providing notes to financial statements in XBRL format? If so, should we permit volunteers to furnish financial statements in XBRL format if they omit the related notes? Should we allow volunteers to furnish in XBRL format some but not all financial statements (e.g., only a balance sheet)? Should we also allow tagging for other items, such as Management’s Discussion and Analysis<sup>77</sup> or Management’s Discussion of Fund Performance<sup>78</sup> that are part of existing taxonomies?

3. Are the standard taxonomies in the voluntary program sufficiently developed? If not, explain what further development would be necessary. Please address taxonomies with respect to specific industries or types of companies if you have information or views on these. Is the taxonomy builder software sufficiently developed that volunteers would be able to create extensions as needed?

4. What specific criteria should be applied to determine the adequacy of the standard taxonomies?

5. Should we include other standard taxonomies in the voluntary program? If so, specify which ones and explain why you believe such taxonomies are sufficiently developed.

6. Should we allow foreign private issuers or foreign governments who use non-U.S. GAAP standard taxonomies to participate in the voluntary program? If so, how should this be implemented? What adaptations, if any, would be needed? How would U.S. GAAP reconciliations be handled in a voluntary XBRL submission?

7. We plan to permit all filers to furnish XBRL data as an exhibit to Exchange Act and Investment Company Act filings so long as they use one of the specified standard taxonomies and form types. Should we further limit participation, such as by size or specific industry? Should we allow volunteers to furnish XBRL data with Securities Act filings?

8. We have proposed that XBRL data furnished by volunteers must be the same financial information as in the corresponding portion of the HTML or ASCII version. Should we allow volunteers to present less detailed financial information in their XBRL data?

9. In order for the XBRL version of the financial statements to have the same level of detail as the HTML or ASCII version, we expect most companies would file extensions to the standard taxonomy. If you expect that companies would file extensions to the standard taxonomy, explain why extensions would be necessary. Would there be some companies that do not expect to file extensions? If not, explain why. Would the use of extensions harm the comparability that otherwise would exist among volunteers that use the same standard taxonomy?

10. Are there any confidentiality concerns regarding submitting extensions? If so, what are they?

11. We are contemplating allowing volunteers to submit XBRL data as an amendment to their filings or with a Form 8–K or Form 6–K that references the filing that contains the financial information to which the XBRL data relates. Should we require volunteers to submit XBRL data at the same time or within a specified number of days from the time they submit their official filing? Would this present difficulties for volunteers? Should we require volunteers to submit XBRL data only as an exhibit to the filing to which the XBRL data relates (i.e., remove the option to submit the XBRL data as an exhibit to an otherwise unrelated Form 8–K or Form 6–K)?

<sup>69</sup> 15 U.S.C. 78r. Because the XBRL-Related Documents will not be filed under the Exchange Act, they will not be incorporated by reference into registration statements filed under the Securities Act of 1933 (“Securities Act”) [15 U.S.C. 77a *et seq.*] or prospectuses they contain.

<sup>70</sup> 15 U.S.C. 79p.

<sup>71</sup> 15 U.S.C. 77www.

<sup>72</sup> 15 U.S.C. 80a–33(b).

<sup>73</sup> All of these statutory sections provide for filing-related liabilities. We expect to caution users on the Commission’s Web site that, although XBRL-Related Documents are required to reflect the same information contained in the corresponding portion of the related official filing, they are furnished rather than filed and users should continue to rely on the official filing rather than the XBRL-Related Documents.

<sup>74</sup> Participants in the voluntary program still would be required to file the official financial information in HTML or ASCII that will be subject, as usual, to the liability provisions of the federal securities laws.

<sup>75</sup> 17 CFR 232.103. Rule 103 generally provides that an electronic filer is not subject to liability as to an error or omission in an electronic filing resulting solely from electronic transmission errors beyond the control of the filer if the filer corrects the problem through an amendment as soon as reasonably practicable after the filer becomes aware of the problem.

<sup>76</sup> Liability relief would not extend, however, to the information the official filing contains.

<sup>77</sup> See Item 303 of Regulations S–K and S–B [17 CFR 229.303 and 228.303].

<sup>78</sup> See Item 22(b)(7) of Form N–1A [17 CFR 239.15A and 274.11A].

12. We plan to develop and provide via our Web site an application for a standard template to render the XBRL information in human readable form. What are the advantages and disadvantages of our requiring the use of such a standard template? For example, could a standard template prevent a volunteer from presenting its XBRL data in as much detail as, and in a manner substantially similar to, the financial statements in its official filing? Should we only develop standard templates for certain industries? Instead, should we allow each volunteer to submit its own template for rendering the XBRL data?

13. As to the voluntary program, we propose to exclude XBRL-Related Documents from the certification requirements of Rules 13a-14 and 15d-14 under the Exchange Act and Rule 30a-2 under the Investment Company Act and we state that the XBRL-Related Documents should omit audit opinions and review reports. For purposes of the voluntary program, should officers of the company certify the XBRL data? If so, what should the certification criteria be? Should auditors be required to attest to the data? If so, what should their attestation requirements be? What are the advantages and disadvantages of requiring certification and attestation?<sup>79</sup> What complications would arise if a volunteer presented an audit or review report in its XBRL-Related Documents?

14. Should the XBRL data be considered filed or furnished for purposes of the voluntary program? Why? Would filers be more or less likely to participate in the voluntary program if the information were deemed filed? To encourage participation in the voluntary program, should liability protections be increased beyond that proposed? For the protection of investors, should liability protection be decreased from that proposed? Is there any reason to provide liability protections under the Securities Act if, as proposed, volunteers cannot submit XBRL data with Securities Act filings and XBRL data is deemed not incorporated by reference?

15. As proposed, the liability protection provisions require that information in the XBRL-Related Documents be the same as the corresponding information in the official filing and that information in the official filing not be materially false or misleading. Also as proposed, to the extent information in the XBRL-Related Documents differs, it would be deemed the same if the volunteer had made a good faith and reasonable attempt to

make it the same and, as soon as reasonably practicable after the volunteer becomes aware of the difference, the volunteer amends the XBRL-Related Documents to make the information the same. Is it appropriate to deem the information the same under these conditions? Under what, if any, conditions should the information be deemed the same?

16. How should we determine how useful the tagged data is to users of the information?

17. What specific steps can we take to encourage registrants to participate in the voluntary program?

## VI. General Request for Comments

We request comment not only on the specific issues we discuss in this release, but on any other approaches or issues that we should consider in connection with the voluntary program. We seek comment from any interested persons, including those required to file information with us on the EDGAR system, as well as investors, disseminators of EDGAR data, EDGAR filing agents, accountants and any other members of the public.

## VII. Paperwork Reduction Act

The proposed new and amended rules contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995, or PRA.<sup>80</sup> We are submitting the proposals to the Office of Management and Budget, or OMB, for review in accordance with the PRA.<sup>81</sup> An agency may not conduct or sponsor, and a person is not required to respond to, an information collection unless it displays a currently valid OMB control number.

The title of the new collection of information is "Voluntary XBRL-Related Documents" (OMB Control No. 3235-XXXX). This collection of information stems from already existing regulations and forms adopted pursuant to the Exchange Act and Investment Company Act that set forth financial disclosure requirements for annual and quarterly reports as well as current reports. The proposed new and amended rules, if adopted, would allow registrants to furnish specified financial information in XBRL-Related Documents as exhibits to their current or periodic reports filed on EDGAR. The specified financial information already is required pursuant to existing periodic and annual report requirements, but would be tagged using XBRL. During the proposed voluntary program, registrants would continue to include this

information in ASCII or HTML format in their official EDGAR filings, but also would furnish the XBRL tagged data as exhibits to these filings. The XBRL-Related Documents would consist of an instance document, a schema file, and linkbase files. Submission of XBRL-Related Documents would be voluntary and the information submitted would not be kept confidential.

### A. Reporting and Cost Burden Estimate

#### 1. Periodic and Current Reporting

Form 10-K (OMB Control No. 3235-0063) prescribes information that a registrant must disclose annually to the market about its business. Form 10-KSB (OMB Control No. 3235-0420) prescribes information that a registrant that is a "small business issuer" as defined under our rules must disclose annually to the market about its business. Form 20-F (OMB Control No. 3235-0288) is used by a foreign private issuer both to register a class of securities under the Exchange Act as well as to provide its annual report required under the Exchange Act. Form 10-Q (OMB Control No. 3235-0070) prescribes information that a registrant must disclose quarterly to the market about its business. Form 10-QSB (OMB Control No. 3235-0416) prescribes information that a registrant that is a "small business issuer" as defined under our rules must disclose quarterly to the market about its business. Form 8-K (OMB Control No. 3235-0060) prescribes information, such as material events or corporate changes, that a registrant must disclose. Form 8-K also may be used, at a registrant's option, to report any events that the registrant deems to be of importance to shareholders. Furthermore, companies may use Form 8-K to disclose the nonpublic information required to be disclosed by Regulation FD.<sup>82</sup> Form 6-K (OMB Control No. 3235-0116) is used by a foreign private issuer to report material information, such as required disclosure in its home jurisdiction, information regarding distributions and other material disclosure. Form N-CSR (OMB Control No. 3235-0570) is the form used by registered management investment companies to file certified shareholder reports semi-annually. Form N-Q (OMB Control No. 3235-0578) is the form used by registered management investment companies to file their complete portfolio schedules for the first and third fiscal quarters.

We are proposing a new collection of information, Voluntary XBRL-Related Documents, which would be furnished

<sup>79</sup> See Section III.D of the Concept Release regarding auditor attestation.

<sup>80</sup> 44 U.S.C. 3501 *et seq.*

<sup>81</sup> 44 U.S.C. 3507(d) and 5 CFR 1320.11.

<sup>82</sup> 17 CFR 243.100 through 243.103.



as a new exhibit to these forms to allow registrants to voluntarily furnish specified financial information using XBRL.<sup>83</sup> The compliance burden estimates for the proposed collection of information are based on several assumptions. First, while the proposed voluntary program would be open to any Exchange Act or Investment Company Act reporting company choosing to participate, we anticipate that only a small percentage of companies would choose to participate in the voluntary program. Based on discussions with several individuals who are familiar with the use of XBRL, we estimate that approximately 60 registrants would elect to participate in the voluntary program.

Participation in the voluntary program and the use of XBRL would not directly affect the burden of preparing the financial statements or the registrant's official EDGAR filings. In order to be able to provide XBRL-Related Documents, a registrant participating in the voluntary program would have to map the financial reporting to the XBRL standard taxonomy, potentially develop taxonomy extensions, map the notes to the financial statements and create an instance document. Based on discussions with data aggregators and registrants who have prepared their financial information as XBRL-Related Documents, the initial creation of XBRL-Related Documents would require on average approximately 130 burden hours. We estimate that subsequent preparation of the XBRL-Related Documents would require an average 10 burden hours. Because the PRA estimates represent the average burden over a three-year period, we estimate the average burden for disclosure for one set of XBRL-Related Documents furnished with a periodic or current report to be 20 hours.<sup>84</sup>

<sup>83</sup> The proposed voluntary program would allow for XBRL-Related Documents to be furnished with Forms 10, 10SB and 20-F. We expect, however, that volunteers for the program will already be subject to Exchange Act reporting requirements and, as a result, do not include an analysis relating to Forms 10 and 10SB or, to the extent it can be used for Exchange Act registration, Form 20-F.

<sup>84</sup> To calculate an estimate of the amount of time it would take to prepare the XBRL-Related Documents we assumed that the initial creation would take 130 hours and that all future preparations of XBRL-Related Documents would take 10 burden hours. We calculated that a registrant other than an investment company would prepare one annual and three quarterly reports per year, and an investment company registrant would prepare two reports on Form N-CSR and two reports on Form N-Q per year. We added the burden hours for each report over the three-year period and divided by the number of periodic reports filed by each registrant (12), resulting in the estimate of 20 hours per report.

We would permit participants in the voluntary program to furnish XBRL-Related Documents with respect to their annual and quarterly reports as well as current reports, but we think the participants will generally only furnish XBRL-Related Documents with their annual and quarterly reports due to the additional burden of preparing the documents.<sup>85</sup> Based on a burden hour estimate of 80 hours per registrant participating in the voluntary program per year and 80 participants per year, we estimate that, in the aggregate, participants would incur an additional 6,400 burden hours to furnish the XBRL-Related Documents with their filings. We estimate that 75% of the burden is prepared by the company and that 25% of the burden is prepared by outside professionals or consultants retained by the company at an average cost of \$300 per hour.<sup>86</sup> We estimate that, if the proposals are adopted, the additional filings would result in an added annual cost totaling \$480,000 for all participating registrants.

## 2. Regulation S-K, Regulation S-B and Regulation S-T

Regulation S-K (OMB Control No. 3235-0071) specifies information that a registrant must provide in filings under both the Securities Act and the Exchange Act. Regulation S-B (OMB Control No. 3235-0417) specifies information that a small business issuer must provide in filings under the Securities Act and the Exchange Act. Regulation S-T (OMB Control No. 3235-0424) specifies the requirements that govern the electronic submission of documents.

The proposed changes to these items would add and revise rules under Regulations S-K, S-B and S-T. The filing requirements themselves, however, are included in the forms and we have reflected the burden for these new requirements in the burden estimate for the forms. These rules in Regulations S-K, S-B and S-T do not impose any separate burden. We assign one burden hour each to Regulations S-B, S-K and S-T for administrative convenience to reflect the fact that these regulations do not impose any direct burden on companies.

<sup>85</sup> We estimate that a participant would furnish XBRL-Related Documents with its annual report and each of its quarterly reports (or with each report on Form N-CSR and Form N-Q, in the case of an investment company) and will incur 20 burden hours for preparing the XBRL-Related Documents for each report.

<sup>86</sup> The staff estimated the average hourly rate for outside professionals and consultants, by contacting outside professionals and other persons regularly involved in the financial reporting process.

## B. Request for Comments

We request comment to evaluate the accuracy of our estimates of the number of participants and the burden of the proposed collections of information and to determine whether there are ways to minimize the burden on respondents. Any member of the public may direct to us any comments concerning the accuracy of these burden estimates and any suggestions for reducing burdens. Persons who desire to submit comments on the collection of information requirements should direct their comments to the OMB, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and send a copy of the comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549, with reference to File No. S7-35-04. Requests for materials submitted to the OMB by us with regard to this collection of information should be in writing, refer to File No. S7-35-04, and be submitted to the Securities and Exchange Commission, Records Management, Office of Filings and Information Services, 450 Fifth Street, NW., Washington, DC 20549. Because the OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication, your comments are best assured of having their full effect if the OMB receives them within 30 days of publication.

## VIII. Cost-Benefit Analysis

The proposed voluntary program reflects our desire to increase EDGAR's efficiency and utility. The tagging of financial and other information submitted to us through EDGAR has the potential to improve the analysis of that information. In order to evaluate data tagging, we have proposed allowing registrants to furnish XBRL-Related Documents as exhibits to their official EDGAR filings.

### A. Benefits

We believe that tagged financial information may allow more efficient and effective retrieval, research and analysis of financial information through automated means. The proposed voluntary program would assist us in assessing whether using XBRL tagged financial information enhances the analysis of financial information included in Commission filings. The voluntary program also would facilitate our ability to assess the technical requirements of processing

XBRL-Related Documents using EDGAR.

Today, a number of companies use the financial information provided on EDGAR to create databases of tagged information that they resell to users of the information. Allowing registrants to tag their own financial data would remove third parties from the tagging process and may reduce the cost of access to tagged information. Data tagging by registrants may make the tagging process more accurate.

Additionally, the voluntary program may benefit registrants and the public by permitting experimentation with data tagged using XBRL. In the future, increased availability of accurate, tagged financial information could also reduce the cost of research and analysis and create new opportunities for companies that compile, provide and analyze data to provide more value added services. Enhanced access to tagged information has the potential to increase analyst coverage and investor interest in a registrant's securities, which could increase the liquidity in the market and lower the cost of capital. These benefits, however, are difficult to quantify.

#### B. Costs

The proposed voluntary program would lead to some additional costs for registrants choosing to furnish XBRL-Related Documents as exhibits to their periodic and current reports. Some companies may already tag their financial information using XBRL, in which case the additional cost of submitting XBRL-Related Documents would be minimal. The proposals do not dictate that companies follow any particular procedure, however some participants may choose to acquire additional software or hire consultants to assist them with data tagging. Based on discussions with software providers and others familiar with XBRL, we estimate that between 60 and 100 registrants will participate in the voluntary program, the cost of tagging software packages to be approximately \$3,000, and, based on our PRA estimates, an annual cost of \$20,000 per registrant.<sup>87</sup> Based on the foregoing discussion, we estimate the total cost to be between \$1,380,000 and \$2,300,000 in the first year.

Due to the recent development of the technology, we have limited data to quantify the cost of implementing data

tagging using XBRL and seek comments and supporting data on our estimates. Further, methods of tagging data may vary considerably, making accurate cost estimates difficult. In the future, there may be additional costs to participants in the EDGAR data stream, including lower demand for data tagging and data dissemination. The availability of registrant tagged data, however, may provide these participants with alternative business opportunities.

#### C. Request for Comments

We request comment on all aspects of this cost-benefit analysis, including identification of any additional costs or benefits of, or suggested alternatives, to the proposed rules. Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

### IX. Initial Regulatory Flexibility Analysis

We prepared this Initial Regulatory Flexibility Analysis, or IRFA, in accordance with the Regulatory Flexibility Act.<sup>88</sup> We are proposing rules to allow registrants, on a voluntary basis, to tag financial information in specified filings using XBRL. The proposed amendments set forth the method by which a registrant participating in the voluntary program may furnish XBRL-Related Documents as an exhibit to its official EDGAR filing.

#### A. Reasons for, and Objectives of, the Proposals

The purpose of the proposals is to further our ability to assess the feasibility and desirability of using tagged data on a more widespread and, possibly, mandated, basis in EDGAR filings. We believe the program to accept XBRL-Related Documents through EDGAR on a voluntary basis would better enable us to study the extent to which XBRL enhances the comparability of that data, its usefulness for financial analysis, and our staff's ability to review and assess filings. In addition, the voluntary program would help us assess the effect of XBRL data tagging on the quality and transparency of financial information as well as the compatibility of XBRL data tagging with the Commission's financial reporting requirements.

#### B. Legal Basis

We are proposing amendments to the rules under the authority set forth in Sections 19(a)<sup>89</sup> and 28<sup>90</sup> of the

Securities Act, Sections 3,<sup>91</sup> 12,<sup>92</sup> 13,<sup>93</sup> 14,<sup>94</sup> 15(d),<sup>95</sup> 23(a),<sup>96</sup> 35A<sup>97</sup> and 36<sup>98</sup> of the Exchange Act, Section 20(a) of the Public Utility Holding Company Act,<sup>99</sup> Section 319(a) of the Trust Indenture Act,<sup>100</sup> Sections 8,<sup>101</sup> 30<sup>102</sup> and 38<sup>103</sup> of the Investment Company Act and Section 3(a) of the Sarbanes-Oxley Act.

#### C. Small Entities Subject to the Proposed Rules

The voluntary program may have an impact on three broad categories of small entities: all filers; participants in the voluntary program; and non-filers that interact with EDGAR. Filers include operating companies and investment companies. A small operating company is defined by Rule 0-10<sup>104</sup> under the Exchange Act for purposes of the Regulatory Flexibility Act as an issuer, other than an investment company, that on the last day of its most recent fiscal year, has total assets of \$5 million or less. We estimate there are approximately 2500 small operating company issuers. Under Rule 0-10 under the Investment Company Act, an investment company is a small entity if it, together with other investment companies in the same group of related investment companies, has net assets of \$50 million or less as of the end of its most recent fiscal year. We estimate that there are approximately 186 investment companies that file reports on Forms N-CSR and N-Q that meet this definition. These and other filers may be affected by any change to the EDGAR system.

A smaller subset of those issuers may voluntarily participate in the program; however, we estimate that number will be very low. We are not aware of any small entities that are considering participating in the voluntary program.

Finally, the dissemination of XBRL data may have an impact on those entities that interact with the EDGAR data stream. We are aware that entities have developed certain products and services based on data in EDGAR; many entities disseminate, re-package, analyze and sell the information. The Commission does not regulate all these entities and therefore it is currently not

<sup>87</sup>To determine the annual cost we estimate that the incremental burden would result in 6,400 internal burden hours and \$480,000 in external costs. Assuming a cost of \$175 per hour for in-house professional staff, the total cost would be \$1,120,000. Consequently, the aggregate cost estimate is \$1,600,000 or \$20,000 per registrant.

<sup>88</sup> 5 U.S.C. 603.

<sup>89</sup> 15 U.S.C. 77s(a).

<sup>90</sup> 15 U.S.C. 77z-3.

<sup>91</sup> 15 U.S.C. 78c.

<sup>92</sup> 15 U.S.C. 78l.

<sup>93</sup> 15 U.S.C. 78m.

<sup>94</sup> 15 U.S.C. 78n.

<sup>95</sup> 15 U.S.C. 78o(d).

<sup>96</sup> 15 U.S.C. 78w(a).

<sup>97</sup> 15 U.S.C. 78ll.

<sup>98</sup> 15 U.S.C. 78mm.

<sup>99</sup> 15 U.S.C. 79t(a).

<sup>100</sup> 15 U.S.C. 77sss(a).

<sup>101</sup> 15 U.S.C. 80a-8.

<sup>102</sup> 15 U.S.C. 80a-29.

<sup>103</sup> 15 U.S.C. 80a-37.

<sup>104</sup> 17 CFR 240.0-10.

feasible to accurately estimate the number or size of these potentially affected entities.

#### *D. Reporting, Recordkeeping, and Other Compliance Requirements*

The voluntary program is an experiment to determine the feasibility of using XBRL on a broader, perhaps mandatory, basis. Therefore, the cost of participating, the burden on the EDGAR system and the possible effect on those entities that use the EDGAR data stream are somewhat speculative at this point.

As the proposal relates to a voluntary filing program, no registrant is required to file XBRL-Related Documents. If a voluntary participant already uses XBRL to tag data, it may incur no additional cost to participate. Other participants who wish to volunteer may have to purchase software or retain a consultant to assist in tagging data. The inclusion of XBRL-Related Documents on EDGAR may also have effects on other filers, including small entities, who use the system.

The voluntary program may have some effect on any entity that interacts with the data dissemination stream. Allowing filers to submit information in XBRL, even voluntarily, may have an impact on entities providing EDGAR-based services and products. The limited, voluntary nature of the program will help the Commission assess the impact, if any, on these entities.

#### *E. Duplicative, Overlapping, or Conflicting Federal Rules*

We believe that there are no rules that duplicate, overlap, or conflict with the proposals.

#### *F. Agency Action to Minimize the Effect on Small Entities*

The Regulatory Flexibility Act directs us to consider significant alternatives that would accomplish the stated objective, while minimizing any significant adverse impact on small entities. The purpose of the proposals is to further our ability to assess the feasibility and desirability of using tagged data on a more widespread and, possibly, mandated, basis. Provision of the XBRL-Related Documents is voluntary. We have considered different or simpler requirements for small entities. For tagged data to provide benefits such as ready comparability, however, the data tagging system cannot have alternative requirements. Similarly, in order to achieve the benefits of data tagging, use of a single data tagging technology is necessary. If we determine to require data tagging in the future, we will look to the results of the voluntary program to find

alternatives to minimize any burden on small entities. We solicit comment on how the proposals could be modified to minimize the effect on small entities.

#### *G. Request for Comments*

We encourage the submission of comments with respect to any aspect of this IRFA. In particular, we request comment on the number of small entities that would be impacted by the proposals; the existence or nature of the potential impact of the proposals on small entities as discussed in the analysis; how to quantify the impact of the proposal; and how additional exemptions could be made for small entities while remaining consistent with our goal to assess tagged data. We ask commenters to describe the nature of any effect and provide empirical data and other factual support for their views, if possible. These comments will be considered in preparing the Final Regulatory Flexibility Analysis, if the proposals are adopted, and will be placed in the same public file as comments on the proposal.

### **X. Consideration of Impact on the Economy, Burden on Competition and Promotion of Efficiency, Competition, and Capital Formation**

For purposes of the Small Business Regulatory Enforcement Fairness Act of 1996,<sup>105</sup> a rule is considered "major" where, if adopted, it results or is likely to result in:

- An annual effect on the economy of \$100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment or innovation.

We request comment on the potential impact of the proposals on the economy on an annual basis. Commenters are requested to provide empirical data and other factual support for their views if possible.

Section 23(a)(2) of the Exchange Act<sup>106</sup> requires us, when adopting rules under the Exchange Act, to consider the impact that any new rule would have on competition. In addition, Section 23(a)(2) prohibits us from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Furthermore, Section 2(b)107 of the Securities Act, Section 3(f)108 of the Exchange Act, and Section 2(c)109 of the Investment Company Act require us, when engaging in rulemaking where we

are required to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

The proposals seek to implement a voluntary program and are intended to help us evaluate the usefulness to registrants, investors and the Commission of data tagging in general, and XBRL in particular. We believe that the proposals would promote efficiency by allowing investors, registrants and the Commission to gain experience with tagged data in Commission filings. The data has the potential to facilitate analysis of that information. Because the proposals are designed to permit filers to provide information in a format that we believe would be more useful to investors, we believe the proposals are appropriate in the public interest and for the protection of investors.

We request comment on whether the proposals, if adopted, would promote efficiency, competition and capital formation or have an impact or burden on competition. Commenters are requested to provide empirical data and other factual support for their views if possible.

### **XI. Statutory Basis and Text of Proposed Amendments**

We propose the rule amendments outlined above under Sections 19(a) and 28 of the Securities Act, Sections 3, 12, 13, 14, 15(d), 23(a), 35A and 36 of the Exchange Act, Section 20(a) of the Public Utility Holding Company Act, Section 319(a) of the Trust Indenture Act, Sections 8, 30 and 38 of the Investment Company Act and Section 3(a) of the Sarbanes-Oxley Act.

#### **List of Subjects in CFR Parts 228, 229, 232, 240, 249 and 270**

Reporting and recordkeeping requirements, Securities.

For the reasons set out in the preamble, 17 CFR is proposed to be amended as follows:

#### **PART 228—INTEGRATED DISCLOSURE SYSTEM FOR SMALL BUSINESS ISSUERS**

1. The authority citation for part 228 continues to read in part as follows:

**Authority:** 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77jjj, 77nnn, 77sss, 78l, 78m, 78n, 78o, 78u-5, 78w, 78ll, 78mm, 80a-8, 80a-29, 80a-30, 80a-37, 80b-11, and 7201 *et seq.*; and 18 U.S.C. 1350.

\* \* \* \* \*

2. Amend § 228.601 by:

<sup>105</sup> 105 Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).

a. Revising the exhibit table; and  
 b. Adding paragraph (b)(100).  
 The revisions read as follows.

§ 228.601 (Item 601) Exhibits.

(a) \* \* \*

EXHIBIT TABLE

BILLING CODE 8010-01-P

EXHIBIT TABLE									
	Securities Act Forms					Exchange Act Forms			
	SB-2	S-2	S-3	S-4 <sup>3</sup>	S-8	10-SB	8-K <sup>5</sup>	10-QSB	10-KSB
(1) Underwriting agreement	X	X	X	X			X		
(2) Plan of purchase, sale, reorganization, arrangement, liquidation or succession	X	X	X	X		X	X	X	X
(3) (i) Articles of Incorporation	X			X		X	X	X	X
(ii) Bylaws	X			X		X	X	X	X
(4) Instruments defining the rights of security holders, including indentures	X	X	X	X	X	X	X	X	X
(5) Opinion on legality	X	X	X	X	X				
(6) No exhibit required	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(7) Correspondence from an independent accountant regarding non-reliance upon a previously issued audit report or completed interim review							X		
(8) Opinion on tax matters	X	X	X	X					
(9) Voting trust agreement and amendments	X			X		X			X
(10) Material contracts	X	X		X		X		X	X
(11) Statement re: computation of per share earnings	X	X		X		X		X	X
(12) No exhibit required	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(13) Annual report to security holders for the last fiscal year, Form 10-Q or 10-QSB or quarterly report to security holders <sup>1</sup>	X	X		X					X
(14) Code of ethics							X		X
(15) Letter on unaudited interim financial information	X	X	X	X	X			X	
(16) Letter on change in certifying accountant <sup>4</sup>	X	X		X		X	X		X
(17) Letter on departure of director							X		
(18) Letter on change in accounting principles								X	X
(19) Reports furnished to security holders								X	
(20) Other documents or statements to security holders or any document incorporated by reference								X	X
(21) Subsidiaries of the small business issuer	X			X		X			X

(22) Published report regarding matters submitted to vote of security holders								X	X
(23) Consents of experts and counsel	X	X	X	X	X		X <sup>2</sup>	X <sup>2</sup>	X <sup>2</sup>
(24) Power of attorney	X	X	X	X	X	X	X	X	X
(25) Statement of eligibility of trustee	X	X	X	X					
(26) Invitations for competitive bids		X	X	X	X				
(27) through (30) [Reserved]									
(31) Rule 13a-14(a)/15d-14(a) Certifications								X	X
(32) Section 1350 Certifications								X	X
(33) through (98)[Reserved]									
(99) Additional exhibits	X	X	X	X	X	X	X	X	X
(100) XBRL-Related Documents						X	X	X	X

<sup>1</sup> Only if incorporated by reference into a prospectus and delivered to holders along with the prospectus as permitted by the registration statement; or in the case of a Form 10-KSB, where the annual report is incorporated by reference into the text of the Form 10-KSB.

<sup>2</sup> Where the opinion of the expert or counsel has been incorporated by reference into a previously filed Securities Act registration statement.

<sup>3</sup> An issuer need not provide an exhibit if: (1) an election was made under Form S-4 to provide S-2 or S-3 disclosure; and (2) the form selected (S-2 or S-3) would not require the company to provide the exhibit.

<sup>4</sup> If required under Item 304 of Regulation S-B.

<sup>5</sup> A Form 8-K exhibit is required only if relevant to the subject matter reported on the Form 8-K report. For example, if the Form 8-K pertains to the departure of a director, only the exhibit described in paragraph (b)(17) of this section need be filed. A required exhibit may be incorporated by reference from a previous filing.

(b) \* \* \*

(100) *XBRL-Related Documents*. An electronic filer that participates in the voluntary XBRL (eXtensible Business Reporting Language) program may submit, in electronic format as an exhibit to either the filing to which they relate or a Form 8-K (§ 249.308 of this chapter) that references such filing, XBRL-Related Documents (§ 232.11 of this chapter) that reflect the same information, prepared in accordance with U.S. generally accepted accounting principles, as appears in one or both of the complete set of financial statements or earnings information (whether contained in the body of the related filing or in an exhibit and whether filed

or furnished) contained in the official version of such filing in accordance with the EDGARLink Filer Manual. An electronic filer may submit such exhibit with, or in an amendment to, either the filing to which it relates or a Form 8-K that references such filing if such Form 8-K is submitted no earlier than such filing is filed.

**PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K**

3. The authority citation for Part 229 continues to read in part as follows:

**Authority:** 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78l, 78m, 78n, 78o, 78u-5, 78w, 78ll, 78mm, 79e, 79j, 79n, 79t, 80a-8, 80a-9, 80a-20, 80a-29, 80a-30, 80a-31(c), 80a-37, 80a-38(a), 80a-39, 80b-

11, and 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

\* \* \* \* \*

- 4. Amend § 229.601 by:
  - a. Revising the exhibit table; and

b. Adding paragraph (b)(100).  
The revisions read as follows.

**§ 229.601 (Item 601) Exhibits.**  
(a) \* \* \*

*Exhibit Table*

*Instructions to the Exhibit Table*

\* \* \* \* \*

BILLING CODE 8010-01-P

EXHIBIT TABLE														
	Securities Act Forms										Exchange Act Forms			
	S-1	S-2	S-3	S-4 <sup>3</sup>	S-8	S-11	F-1	F-2	F-3	F-4 <sup>3</sup>	10	8-K <sup>5</sup>	10-Q	10-K
(1) Underwriting agreement	X	X	X	X	---	X	X	X	X	X	---	X	---	---
(2) Plan of acquisition, reorganization, arrangement, liquidation or succession	X	X	X	X	---	X	X	X	X	X	X	X	X	X
(3) (i) Articles of incorporation	X	---	---	X	---	X	X	---	---	X	X	X	X	X
(ii) Bylaws	X	---	---	X	---	X	X	---	---	X	X	X	X	X
(4) Instruments defining the rights of security holders, including indentures	X	X	X	X	X	X	X	X	X	X	X	X	X	X
(5) Opinion re legality	X	X	X	X	X	X	X	X	X	X	---	---	---	---
(6) [Reserved]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(7) Correspondence from an independent accountant regarding non-reliance on a previously issued audit report or completed interim review	---	---	---	---	---	---	---	---	---	---	---	X	---	---
(8) Opinion re tax matters	X	X	X	X	---	X	X	X	X	X	---	---	---	---
(9) Voting trust agreement	X	---	---	X	---	X	X	---	---	X	X	---	---	X
(10) Material contracts	X	X	---	X	---	X	X	X	---	X	X	---	X	X
(11) Statement re computation of per share earnings	X	X	---	X	---	X	X	X	---	X	X	---	X	X
(12) Statements re computation of ratios	X	X	X	X	---	X	X	X	---	X	X	---	---	X
(13) Annual report to security holders, Form 10-Q and 10-QSB, or quarterly report to security holders <sup>1</sup>	---	X	---	X	---	---	---	---	---	---	---	---	---	X
(14) Code of Ethics												X		X
(15) Letter re unaudited interim financial information	X	X	X	X	X	X	X	X	X	X	---	---	X	---
(16) Letter re change in certifying accountant <sup>4</sup>	X	X	---	X	---	X	---	---	---	---	X	X	---	X

(17) Correspondence on departure of director	---	---	---	---	---	---	---	---	---	---	---	X	---	---
(18) Letter re change in accounting principles	---	---	---	---	---	---	---	---	---	---	---	---	X	X
(19) Report furnished to security holders	---	---	---	---	---	---	---	---	---	---	---	---	X	---
(20) Other documents or statements to security holders	---	---	---	---	---	---	---	---	---	---	---	X	---	---
(21) Subsidiaries of the registrant	X	---	---	X	---	X	X	---	---	X	X	---	---	X
(22) Published report regarding matters submitted to vote of security holders	---	---	---	---	---	---	---	---	---	---	---	---	X	X
(23) Consents of experts and counsel	X	X	X	X	X	X	X	X	X	X	---	X <sup>2</sup>	X <sup>2</sup>	X <sup>2</sup>
(24) Power of attorney	X	X	X	X	X	X	X	X	X	X	X	X	X	X
(25) Statement of eligibility of trustee	X	X	X	X	---	X	X	X	X	X	---	---	---	---
(26) Invitations for competitive bids	X	X	X	X	---	---	X	X	X	X	---	---	---	---
(27) through (30) [Reserved]														
(31) Rule 13a-14(a)/15d-14(a) Certifications	---	---	---	---	---	---	---	---	---	---	---	---	X	X
(32) Section 1350 Certifications	---	---	---	---	---	---	---	---	---	---	---	---	X	X
(33) through (98) [Reserved]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(99) Additional exhibits	X	X	X	X	X	X	X	X	X	X	X	X	X	X
(100) XBRL-Related Documents												X	X	X

<sup>1</sup> Where incorporated by reference into the text of the prospectus and delivered to security holders along with the prospectus as permitted by the registration statement; or, in the case of the Form 10-K, where the annual report to security holders is incorporated by reference into the text of the Form 10-K.

<sup>2</sup> Where the opinion of the expert or counsel has been incorporated by reference into a previously filed Securities Act registration statement.

<sup>3</sup> An exhibit need not be provided about a company if: (1) With respect to such company an election has been made under Form S-4 or F-4 to provide information about such company at a level prescribed by Forms S-2, S-3, F-2 or F-3 and (2) the form, the level of which has been elected under Forms S-4 or F-4, would not require such company to provide such exhibit if it were registering a primary offering.

<sup>4</sup> If required pursuant to Item 304 of Regulation S-K.

<sup>5</sup> A Form 8-K exhibit is required only if relevant to the subject matter reported on the Form 8-K report. For example, if the Form 8-K pertains to the departure of a director, only the exhibit described in paragraph (b)(17) of this section need be filed. A required exhibit may be incorporated by reference from a previous filing.

**BILLING CODE 8010-01-C**

(b) \* \* \*

(100) *XBRL-Related Documents*. An electronic filer that participates in the voluntary XBRL (eXtensible Business Reporting Language) program may submit, in electronic format as an exhibit to either the filing to which they relate or a Form 8-K (§ 249.308 of this chapter) that references such filing, XBRL-Related Documents (§ 232.11 of this chapter) that reflect the same information, prepared in accordance with U.S. generally accepted accounting principles, as appears in one or both of the complete set of financial statements or earnings information (whether contained in the body of the related filing or in an exhibit and whether filed or furnished) contained in the official version of such filing in accordance with the EDGARLink Filer Manual. An electronic filer may submit such exhibit with, or in an amendment to, either the filing to which it relates or a Form 8-K that references such filing if such Form 8-K is submitted no earlier than such filing is filed.

**PART 232—REGULATION S-T—  
GENERAL RULES AND REGULATIONS  
FOR ELECTRONIC FILINGS**

5. The authority citation for Part 232 continues to read in part as follows:

**Authority:** 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

\* \* \* \* \*

6. Amend § 232.11 by adding the following definition in alphabetical order.

**§ 232.11 Definition of terms used in part 232.**

\* \* \* \* \*

*XBRL-Related Documents*. The term *XBRL-Related Documents* means

documents related to presenting financial information in eXtensible Business Reporting Language that are part of a voluntary submission in electronic format in accordance with § 232.401.

7. Amend § 232.305 by revising paragraph (b) to read as follows:

**§ 232.305 Number of characters per line; tabular and columnar information.**

(a) \* \* \*

(b) Paragraph (a) of this section does not apply to HTML documents or XBRL-Related Documents (§ 232.11).

8. Amend Part 232 by adding an undesignated center heading and text to §§ 232.401 and 232.402 to read as follows:

XBRL-Related Documents

**§ 232.401 XBRL-Related Document submissions.**

(a) An electronic filer that participates in the voluntary XBRL (eXtensible Business Reporting Language) program may submit, in electronic format as an exhibit to the filing to which they relate or, if the electronic filer is eligible to file a Form 8-K (§ 249.308 of this chapter) or a Form 6-K (§ 249.306 of this chapter), a Form 8-K or a Form 6-K, as applicable, that references such filing, XBRL-Related Documents (§ 232.11 of this chapter) that reflect the same information, prepared in accordance with U.S. generally accepted accounting principles, as appears in one or more of the portions specified in paragraph (b) of this section of the official version of such filing in accordance with the EDGARLink Filer Manual and, as applicable, one of Item 601(b)(100) of Regulation S-K (§ 229.601(b)(100) of this chapter), Item 601(b)(100) of Regulation S-B (§ 228.601(b)(100) of this chapter), Form 20-F (§ 249.220f of this chapter), Form 6-K or § 270.8b-33 of this chapter. An electronic filer may

submit such exhibit with, or in an amendment to, either the filing to which it relates or, if the electronic filer is eligible to file a Form 8-K or a Form 6-K, a Form 8-K or a Form 6-K, as applicable, that references such filing if such Form 8-K or Form 6-K is submitted no earlier than such filing is filed.

(b) XBRL-Related Documents must reflect the same information, prepared in accordance with U.S. generally accepted accounting principles, as appears in one or more of the following portions of the official version of the related filing:

(1) The complete set of financial statements;

(2) Earnings information (whether contained in the body of the related filing or in an exhibit and whether filed or furnished);

(3) Financial highlights or condensed financial information, as applicable (if the related filing has been filed under the Investment Company Act); or

(4) Schedule of investments (if the related filing has been filed under the Investment Company Act).

**Note to § 232.401:** Although XBRL-Related Documents are required by this section to reflect the same information as appears in the corresponding portion of the official version of the filing to which they relate, investors and others should continue to rely on the official version of the filing rather than the XBRL-Related Documents.

**§ 232.402 Liability for XBRL-Related Documents.**

(a) *Not deemed filed for liability purposes*. XBRL-Related Documents, regardless whether they are exhibits to a document incorporated by reference into a filing:

(1) Are not deemed filed for purposes of section 18 of the Exchange Act (15 U.S.C. 78r), section 16 of the Public Utility Act (15 U.S.C. 79p), section 323



of the Trust Indenture Act (15 U.S.C. 77www) or section 34(b) of the Investment Company Act (15 U.S.C. 80-33(b));

(2) Are not deemed incorporated by reference;

(3) Are not otherwise subject to the liabilities of these sections;

(4) Are subject to all other liability and anti-fraud provisions of these Acts; and

(5) Are deemed filed for purposes of Item 103 of Regulation S-T (§ 232.103 of this chapter).

(b) *Accurate reflection of underlying documents.* An electronic filer is not liable under the Securities Act, Exchange Act, Public Utility Act, Trust Indenture Act or Investment Company Act for information in its XBRL-Related Documents that reflects the same information as appears in the corresponding portion of the official version of the filing to which they relate to the extent that such information was not materially false or misleading in such official version of the filing. To the extent the information in an electronic filer's XBRL-Related Documents does not reflect the same information as appears in the corresponding portion of the official version of the filing to which they relate, the information in the XBRL-Related Documents will be deemed to reflect the same information for purposes of this paragraph if the electronic filer makes a good faith and reasonable attempt to reflect the same information and, as soon as reasonably practicable after the electronic filer becomes aware that the XBRL-Related Documents do not reflect the same information, the electronic filer amends the XBRL-Related Documents and, as a result, they reflect the same information.

#### **PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934**

9. The authority citation for Part 240 continues to read in part as follows:

**Authority:** 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78l, 78mm, 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 80b-11, and 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

10. Amend § 240.13a-14 by adding paragraph (h) to read as follows:

**§ 240.13a-14 Certification of disclosure in annual and quarterly reports.**

\* \* \* \* \*

(h) The certification requirements of this section do not apply to XBRL-

Related Documents, as defined in § 232.11 of this chapter.

11. Amend § 240.15d-14 by adding paragraph (h) to read as follows:

**§ 240.15d-14 Certification of disclosure in annual and quarterly reports.**

\* \* \* \* \*

(h) The certification requirements of this section do not apply to XBRL-Related Documents, as defined in § 232.11 of this chapter.

#### **PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934**

12. The authority citation for Part 249 continues to read in part as follows:

**Authority:** 15 U.S.C. 78a *et seq.* and 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

\* \* \* \* \*

13. Amend Form 20-F (referenced in (§ 249.220f) by reserving paragraphs 16 through 99 and adding paragraph 100 at the end of "Instructions as to Exhibits" to read as follows:

**Note**—The text of Form 20-F does not and this amendment will not appear in the Code of Federal Regulations.

FORM 20-F

\* \* \* \* \*

INSTRUCTIONS AS TO EXHIBITS

\* \* \* \* \*

16 through 99 [Reserved]

100. *XBRL-Related Documents.* XBRL-Related Documents (§ 232.11 of this chapter).

\* \* \* \* \*

14. Amend Form 6-K (referenced in (§ 249.306) by adding paragraph (5) to General Instruction C to read as follows:

**Note**—The text of Form 6-K does not and this amendment will not appear in the Code of Federal Regulations.

Form 6-K

\* \* \* \* \*

GENERAL INSTRUCTIONS

\* \* \* \* \*

C. \* \* \*

(1) \* \* \*

(5) *XBRL-Related Documents.* XBRL-Related Documents (§ 232.11 of this chapter) can be submitted if listed as exhibit 100.

\* \* \* \* \*

#### **PART 270—GENERAL RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940**

15. The authority citation for Part 270 continues to read in part as follows:

**Authority:** 15 U.S.C. 80a-1 *et seq.*, 80a-34(d), 80a-37, and 80a-39, unless otherwise noted.

\* \* \* \* \*

16. Revise § 270.8b-1 to read as follows:

**§ 270.8b-1 Scope of §§ 270.8b-1 to 270.8b-33.**

The rules contained in §§ 270.8b-1 to 270.8b-33 shall govern all registration statements pursuant to section 8 of the Act [15 U.S.C. 80a-8], including notifications of registration pursuant to section 8(a), and all reports pursuant to section 30(a) or (b) of the Act [15 U.S.C. 80a-29(a) or 80a-29(b)], including all amendments to such statements and reports, except that any provision in a form covering the same subject matter as any such rule shall be controlling.

**§ 270.8b-2 [Amended]**

17. Amend § 270.8b-2 by revising the phrase "§§ 270.8b-1 through 270.8b-32" to read "§§ 270.8b-1 through 270.8b-33" in the introductory text of the section.

18. Add § 270.8b-33 to read as follows:

**§ 270.8b-33 XBRL-related documents.**

An electronic filer that participates in the voluntary XBRL (eXtensible Business Reporting Language) program may submit, in electronic format as an exhibit to the filing to which they relate, XBRL-Related Documents that reflect the same information, prepared in accordance with U.S. generally accepted accounting principles, as appears in the complete set of financial statements, the financial highlights or condensed financial information, as applicable, or the schedule of investments prepared in response to Items 1 and 6 of Form N-CSR (§ 249.331 and § 274.128 of this chapter) or Item 1 of Form N-Q (§ 249.332 and § 274.130 of this chapter), in accordance with the EDGARLink Filer Manual. A registrant that submits XBRL-Related Documents as an exhibit to a Form must name each XBRL-Related Document "EX-100" as specified in the EDGARLink Filer Manual, and submit the XBRL-Related Documents separately for each series of an investment company registrant and each contract of an insurance company separate account. A registrant may submit such exhibit with, or in an amendment to, the filing to which it relates.

19. Amend § 270.30a-2 by adding paragraph (d) to read as follows:

**§ 270.30a-2 Certification of Forms N-CSR and N-Q.**

\* \* \* \* \*

(d) The certification requirements of this section do not apply to XBRL-

Related Documents, as defined in § 232.11 of this chapter.

By the Commission.

Dated: September 27, 2004.

**Margaret H. McFarland,**

*Deputy Secretary.*

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