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financial executives  
international

March 31, 2008

Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: File Number 265-24

Dear Ms. Morris:

Financial Executives International ("FEI") appreciates the opportunity to provide its views on the U.S. Securities and Exchange Commission's Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting ("CIFiR"). (Release No. 33-8896, the "Progress Report; Interim recommendations").

FEI responds to such requests through its technical committees. As a result, I have attached two letters from FEI's Committee on Finance and Information Technology ("CFIT") and FEI's Committee on Small and Mid-Sized Public Companies ("CSMPC") in response to the CIFiR's interim recommendations. An additional response will be provided separately by FEI's Committee on Corporate Reporting later this week ("CCR").

Thank you again for the opportunity to provide our comments.

Sincerely,

A handwritten signature in dark ink that reads "Grace L. Hinchman". The signature is written in a cursive, slightly slanted style.

Grace L. Hinchman  
Senior Vice President  
Financial Executives International



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financial executives  
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committee on finance and information technology

March 31, 2008

Ms. Nancy M. Morris  
Federal Advisory Committee Management Officer  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File No. 265-24

Dear Ms. Morris:

The Committee on Finance & Information Technology (“CFIT”) of Financial Executives International (“FEI”) desires to comment on the Commission’s Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting (CIFI<sub>R</sub>), File Number 265-24 by re-submitting its November 9, 2007, comment letter regarding the Commission’s Concept Release on IFRS, File Number S7-20-07, and its August 14, 2007, XBRL position paper sent to the Commission.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. CFIT is a national technical committee of FEI which sets the agenda for and drives the dialogue at the intersection of technology and the finance function, both internally to organizations and externally as it relates to agencies, compliance activities, industry trends and users, such as investors. This cover letter and attached documents represent the views of CFIT and not necessarily those of FEI, or its members individually.

In CFIT’s November 9, 2007, letter (attached), the Committee made three recommendations with respect to XBRL:

- Establish quality control systems for XBRL taxonomy updates tied to accounting standards updates;
- Converge the XBRL architecture and implementation approaches for International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Principles (GAAP) into a single XBRL platform; and
- Develop a common compliance information platform.

CFIT would like to draw CIFI<sub>R</sub>’s attention to these points, and the rationales for them, as discussed in the attached letter. While the first point may be viewed as “plumbing” (but important plumbing), the second and third points have in common the goals of minimizing and simplifying the XBRL structure that reporting companies will need to use, without reducing any functionality. If similar recommendations are not made by CIFI<sub>R</sub>, then there is a danger these items will receive less priority than other recommendations that are made by CIFI<sub>R</sub>, and companies (and government agencies) will experience higher compliance costs.

As a further note, the second point is consistent with Chairman Cox's discussions around a "multinational XBRL architecture" (see the *Journal of Accountancy*, March 2008, p. 14).

In CFIT's August 14, 2007, letter to the SEC (also attached), these four guiding principles were discussed with respect to XBRL:

- A deeper, broader common standard;
- Managed extensibility;
- Accounting standards and taxonomy harmonization;
- Self-evident sustainability

We believe that these principles support CFIT's recommendations made in its November 9, 2007, letter.

Thank you for your consideration. The committee would be happy to discuss these recommendations in more detail at your convenience.

Sincerely,



Taylor Hawes  
Chair, Committee on Finance & Information Technology  
Financial Executives International

**cc:**

**Financial Accounting Foundation**

Attn: Teresa S. Polley

**Financial Executives International**

Attn: Michael P. Cangemi

**FEI Committee on Corporate Reporting**

Attn: Arnold Hanish

**FEI Committee on Small and Mid-Sized Public Companies**

Attn: Karen Rasmussen

**International Accounting Standards Committee Foundation**

Attn: Olivier Servais

**XBRL-US**

Attn: Mark Bolgiano

**XBRL-International**

Attn: Michael Ohata



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committee on finance and information technology

November 9, 2007

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

RE: File No. S7-20-07

Dear Ms. Morris:

The Committee on Finance & Information Technology (“CFIT”) of Financial Executives International (“FEI”) desires to comment on the Commission’s Concept Release on IFRS, File Number S7-20-07. These comments are directed at technology implications of the release and should be read in conjunction with CFIT’s August 14, 2007, XBRL position paper sent to the Commission.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. As a national technical committee of FEI, CFIT sets the agenda for and drives the dialogue at the intersection of technology and the finance function, both internally to organizations and externally as it relates to agencies, compliance activities, industry trends and users, such as investors. This document represents the views of CFIT and not necessarily those of FEI, or its members individually.

**Accounting Standards and Taxonomy Harmonization**

While our response focuses on the technology principles concerning interactive data, CFIT is in support of a single set of high quality global accounting standards. Changes in accounting standards, disclosures and accounting presentation will have a direct impact on XBRL taxonomies, which should be included in an integrated standard-setting process.

We recommend putting quality control systems in place to deliver an updated IFRS and/or U.S. GAAP taxonomy in conjunction with the annual standards update, similar to the process adopted by the trustees of the International Accounting Standards Board (IASB).

The recent announcement regarding the completion of U.S. GAAP taxonomies by XBRL-US provides an opportunity to focus on converging IFRS and U.S. GAAP XBRL taxonomies into a single taxonomy “platform”, to ensure duplicate technology platforms are not created. The use of the term “platform” recognizes that potential reporting frameworks could be different (i.e., SEC filings versus United Kingdom filings). However, the taxonomy architectures, relevant reporting concepts, and preparer guidance, particularly with respect to extensions, could be appropriately aligned.

We believe that there may be a larger convergence opportunity beyond the convergence of U.S. GAAP and IFRS GAAP. As evidenced by the “National Taxonomy Project” in the Netherlands, the “Standardized Business Reporting” Project in Australia, and the U.S. FFIEC “Call Report Modernization Project,” we believe that preparers and their constituents can benefit from a more business-centric compliance model, in which reconciled taxonomies are used by a wide range of governmental agencies such as the Internal Revenue Service, Department of Commerce, and other industry specific regulatory agencies (such as the Federal Energy Regulatory Commission). This business-centric approach relies upon a common compliance information platform leveraging these taxonomies.

Over 100 countries have adopted IFRS as their accounting standard. The internet and technology continues to drive business opportunities and globalization. Adoption of a single set of accounting standards will reduce the cost of accounting compliance, simplify integration of acquisitions and enable streamlined consolidations of international subsidiaries. From an investor’s point of view, the ability to analyze, comprehend and compare financial statements, irrespective of the country of origin, provides expanded opportunities for investors.

Members of CFIT have and are willing to continue to play an active role in actions and recommendations listed in this letter. Thank you for your consideration. The committee would be happy to discuss these points in more detail at your convenience.

Sincerely,



Taylor Hawes  
Chair, Committee on Finance & Information Technology  
Financial Executives International

**cc:**

**Financial Accounting Foundation**

Attn: Teresa S. Polley

**Financial Executives International**

Attn: Michael P. Cangemi

**FEI Committee on Corporate Reporting**

Attn: Arnold Hanish

**International Accounting Standards Committee Foundation**

Attn: Olivier Servais

**XBRL-US**

Attn: Mark Bolgiano

**XBRL-International**

Attn: Michael Ohata



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financial executives  
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committee on finance and information technology

August 14, 2007

Mr. Christopher Cox  
Chairman  
Securities & Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Dear Chairman Cox:

The Committee on Finance & Information Technology (“CFIT”) of Financial Executives International (“FEI”) desires to share a perspective on the development of XBRL (eXtensible Business Reporting Language) in the United States, a perspective that we believe requires attention.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. As a national technical committee of FEI, CFIT sets the agenda for and drives the dialogue at the intersection of technology and finance functions, both internally to organizations and externally as it relates to agencies, compliance activities, industry trends and users such as investors. This document represents the views of CFIT and not necessarily those of FEI.

CFIT commends the Chairman’s initiative to introduce “interactive data” (XBRL) as a means for driving reporting efficiency and transparency. XBRL represents a major initiative for CFIT; the committee has authored research papers, led preparer awareness and supported the commission and XBRL US in providing resources and input on the XBRL taxonomy and specification. The purpose of this letter is raise awareness to ensure potential roadblocks to adoption are addressed so that adoption can happen as quickly as possible.

We believe the following principles outline the gaps, discussed in more detail at the end of this document. These gaps span policy – governance and accounting – to organizational and technical sustainability. The principles also define successful adoption of XBRL in the United States:

**A Deeper, Broader Common Standard** – The goal of interactive data extends far beyond changing the reporting format, so that XBRL becomes “the” common reporting standard used by regulators, commercial interests and consumers as the business and financial reporting standard for interactive data.

**Managed Extensibility** – To fully inform investors and users about specific accounting treatments or company specific contexts when using financial statements, we need to retain the current financial reporting methodology that enables companies to clarify with appropriate information. Effectively manage the organization of company extensions to the US GAAP taxonomy over time so that extensions are coherent and useful.

**Accounting Standards and Taxonomy Harmonization** – The accounting standards processes and the taxonomy management process should be integrated into a single process. In the near future taxonomy development should parallel, not trail, standard setting. This will ensure reporting

and related taxonomies have input from constituents representing financial statement preparers and consumers. With the discussions about IFRS and GAAP convergence and the dialog on potentially allowing US filers to at some point elect IFRS or GAAP, this harmonization effort should extend to ensuring the two approaches to taxonomies (IFRS and GAAP) are strongly compatible (perhaps even one and the same).

**Self-Evident Sustainability** – Stakeholders and constituents in the adoption of XBRL must believe in its supporting organizational constructs and the feasibility of technology standardization. Current efforts must lead to a filing process and technical structure that is sustainable in the near term as well as long term. Achieving sustainability is a priority.

Provided below are detailed examples of policy and technical issues identified by the committee. While these gaps may appear to be obvious, ensuring agreement and prioritization are essential to achieving both near term and long term goals of the Commission and other stakeholders. As a committee, we believe it is our responsibility to bring these issues forward, to ensure appropriate steps can be taken to address and resolve them before XBRL becomes the US filing standard.

FEI, through its technical committees and many of its member companies, is willing to play an active role in actions and recommendations listed in this letter. Thank you for your consideration. The committee would be happy to discuss these points in more detail at your convenience.

Sincerely,



Taylor Hawes  
Chair, Committee on Finance & Information Technology  
Financial Executives International

**cc:**  
**Financial Accounting Foundation**  
**Attn: Robert De Santis**

**Financial Executives International**  
**Attn: Michael P. Cangemi**

**FEI Committee on Corporate Reporting**  
**Attn: Arnold Hanish**

**International Accounting Standards Committee Foundation**  
**Attn: Olivier Servais**

**XBRL-US**  
**Attn: Mark Bolgiano**

**XBRL-International**  
**Attn: Michael Ohata**

## **Policy Related Issues**

### **Governance**

**Roles and Responsibilities** – Given the recent changes in organizations, scope of responsibilities, and recent contracts in this area, it would be very useful to have a one page summary that would describe the ongoing efforts, activities and roles of each major constituency, including the preparer. This summary would be a great help to all involved to better understand the scope and responsibilities of each group. At a minimum the roles of the SEC, XBRL-US (and any relevant sub-groups), the Financial Accounting Foundation (FAF) and the AICPA should be described.

#### **Suggested action:**

XBRL-US should draft this document. Constituencies and interested parties could then review and comment. XBRL-US may finalize and issue to a wide distribution, including their web site.

**Process Steps** – A clear, concise approach and process for development of the US-GAAP taxonomy, initially, and a process for review and update in the future should be developed and widely circulated to interested parties. A key step in the process should be to ensure that preparers and consumers are adequately represented in all stages of development and maintenance. Perhaps identifying and naming preparer groups that will be involved in the review process would allow for expediency (i. e., FEI's CFIT Working Group, CFA Institute XBRL Working Group, etc). Taxonomy development and management should include a process to add new standard elements and synchronize with regulations and accounting pronouncements as part of the normal standard setting processes.

#### **Suggested actions:**

XBRL-US should take the lead in identifying and naming the groups involved in taxonomy development, and then publicizing them widely.

The taxonomy development and management process should be circulated to the appropriate groups, adopted and followed.

### **Accounting/Reporting Policy**

**Policy regarding XBRL Taxonomies explicitly linked to GAAP** – We are not aware of efforts to define the process and related policies in how XBRL is explicitly linked into the GAAP taxonomy standard setting process. As the use of electronic data as an integral component of delivering financial reports becomes prevalent, the explicit relationships between reporting concepts and relevant GAAP standards will become increasingly important to both preparers and consumers. We believe that the process steps above should clearly articulate how reporting and disclosure requirements will be integrated into the taxonomy development and maintenance processes. Further, to assist the early adopters, it would be useful to include in an exposure draft references to level of disclosure, tagging and examples of financial statement presentations.

#### **Suggested actions:**

FASB and XBRL-US should define this process, providing appropriate comment periods for stakeholders to shape the process that is adopted.

In addition, the convergence of GAAP and IFRS should be addressed to insure duplicate technology platforms that do not need to be built are in fact not being built.

**Policy regarding XBRL Extensions and Standard GAAP Taxonomies** – If extensions are allowed to enable company-specific presentation of tagged data, will there be a requirement for the company to “map” the extension as a sub-item under the standard GAAP Taxonomy? For example, if the standard GAAP Taxonomy is “**Net Revenue**”, will a company-specific extension such as “**Consulting Services Revenue**” be mapped as a taxonomy element extension of the standard “**Net Revenue**”? If this method is required, then comparability can be achieved, along with allowance for company-specific custom extensions. If this method is not required, it may be more difficult than necessary for “consumers” of interactive data to build models/methods for comparability. At a minimum, there would be value in a collaborative process between preparers and financial statement users to define a consistent standard.



**Suggested action:**

The SEC should decide if it wants to provide guidance that will assist in comparability or allow divergence. CFIT recommends that concrete, explicit decisions be made and communicated in preparation for the financial reporting ruling related to XBRL.

**Disparity in level of tagging detail** –Without an agreed set of common principles, the level of tagging for company note disclosures can and may vary depending on the perspective of the preparer. Without some well-defined principles and best practices, the Commission may experience significant disparity in the level of tagging company note disclosures. Our recommendation is to first identify the organization (FASB, XBRL-US, SEC, etc.) responsible for defining these principles, then define the principles early, and obtain feedback from the preparer community prior to mandating the standard. CFIT is interested and willing to participate in the development of these principles and best practice examples along with other supply chain participants.

**Suggested action:**

The SEC and FASB should decide if they:

- 1) Provide such guidance
- 2) Have XBRL-US provide guidance, or
- 3) Provide no additional guidance.

**Organizational Sustainability****Sustainability & Effectiveness of XBRL-US**

In support of sustainability and effectiveness of XBRL over the long term, CFIT supports XBRL-US as a supply chain agent chartered to update and maintain the XBRL taxonomy as a market driven activity funded and supported by the Commission. It is critical that XBRL-US create a governance structure through creation of a board of directors, management team and integration into relevant policy, and standards setting processes to ensure ability to drive change. This structure will ensure opportunity for participation for all those involved to provide input and feedback to enhance and develop the standard.

**Widespread US Adoption of XBRL**

**Ability to file without extensions** – If comparability and efficiencies are a goal where the objective is to provide access to research coverage and ease of analysis, then it is necessary for a high percentage of smaller companies to file at least their prime financial statements without extensions. We understand that XBRL-US taxonomy build-out has a goal for footnotes that a high percentage will not need extensions. We believe a similar goal is needed for prime financials if the goals above are to be achieved.

**Suggested action:**

XBRL-US, FASB and the SEC should develop targets in these areas and the taxonomy development approach should accommodate those targets.

**Recommendation for phased rollout** – In the Voluntary Filing Program, there are few companies choosing to include MD&A and Footnotes in their filings. While XBRL-US has initiated an effort to complete the taxonomies enabling companies to incorporate footnotes in their filings, our recommendation is to use a phased approach starting with primary financials first and phasing-in footnotes over time, as valuable lessons are learned and feedback received.

**Suggested action:**

The SEC should endorse this recommendation in their communications and approach.

**XBRL use by other Government Agencies**—While government agencies are not a focus of this current effort, the organizations involved should include other potential governmental users of interactive data (and/or perhaps include them in some of the review cycles) and, to the extent possible, insure fundamental decisions and designs favor widespread use of XBRL, as opposed to other technology approaches, for company filings.

**Suggested actions:**

Perhaps the Federal Deposit Insurance Corporation (FDIC) and the SEC could host a forum for other agencies to show them the benefits of XBRL. Also, the SEC could encourage the Office of Management and Budget (OMB) to endorse XBRL.

**Technology Related Suggestions**

**XBRL Rendering** – Currently, almost all of the current Voluntary Filing Program participants use a published version of their 10-Q or 10-K as the basis for tagging an XBRL instance document. At a minimum, users of XBRL filed financials should be able to read and review the document as it was originally created. We believe, as a requirement of building out the taxonomies, the XBRL Community needs to address and resolve the ‘rendering’ specification in a timely manner so that it can be used to facilitate market adoption. Note that even just for the SEC’s internal use of XBRL, there will need to be an efficient way to render XBRL filed documents, potentially both for those filed under GAAP and those filed under IFRS.

**Customized XBRL Extensions** – If a company creates custom extensions of a standard taxonomy, a separate taxonomy file is generated that includes the company specific extensions. For a consumer to render a company’s “instance” document, the file must be available as defined in the instance document “namespace”. If the company specific extension is moved or replaced with a current version of the document with the same name, there could possibly be problems in using or rendering the instance document. With over 5,000 financial statement filers who file 10-Qs and 10-Ks, there is a high probability this could be a problem. This risk could be mitigated by requiring a standard naming convention and placement of the company specific extensions to be filed with the “instance” document or by including company specific extensions *within* the instance document.

**Suggested actions:**

The taxonomy being developed should follow the approach described above.

FEI’s CFIT committee is sponsoring a meeting in August of leading software players to review the current XBRL-US approach to this and other items and then, if needed, propose modifications/extensions.

**Tables & Segment Reporting** – Currently there are multiple approaches for handling tables of numbers and company segments in the related segment disclosure. Differences in how these disclosure items are defined in use of extensions and/or context create potential challenges in how users of financial data will be able to compare and import each company’s respective data. For example, some companies might handle tables within the “context” definition, while other companies might use extensions to accomplish the same result. Our recommendation is to facilitate definition of best practices that will promote a more consistent approach for handling common financial filing requirements.

**Definitions of differences in presentations** – CFIT members recently selected three companies with “Defined Benefit Obligations” and compared their respective footnotes and disclosures. All three companies disclosed events that affected comparability to other companies. One included an acquisition, the next revalued their benefit obligation using updated actuarial tables, and the last contracted rate increases in their medical plan to cap the growth in medical cost. All three companies properly disclosed these events in their footnotes. Much like today, users can receive an analysis that excludes specific nuances they should be aware of when relying on a specific set of information. XBRL has the ability to provide a platform that ensures explicit relationships between reporting concepts and disclosures are reported. In this context, policy considerations for creating explicit relationships between unique reporting concepts/events (e.g. acquisitions, actuarial changes, etc.) and the other common or standard reporting requirements need to be defined.



Committee on Small and Mid-Sized Public Companies

March 31, 2008

Nancy M. Morris  
Federal Advisory Committee Management Officer  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: File No. 265-24

Dear Ms. Morris:

The Committee on Small and Mid-Sized Public Companies (CSMPC) of Financial Executives International (“FEI”) wishes to share its views on the Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting.

FEI is the leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. The CSMPC is a technical committee of FEI, which formulates small and mid-sized public company positions for FEI in line with the views of the membership. CSMPC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CSMPC and not necessarily the views of FEI or its members individually.

The CSMPC commends the Advisory Committee for its hard work and dedication to the important topic of financial reporting and appreciates the opportunity to comment on the issues. The following comments identify a few points made in the Advisory Committee’s report. We have not commented on all of the recommendations set forth by the Advisory Committee; however we feel the topics we have addressed below merit special attention.

**The Advisory Committee’s proposals intend to reduce complexity in financial reporting. We agree.**

We applaud the Advisory Committee for addressing complexity in financial reporting. The solution to the complexity issue will surely not be an easy one, but rather one that will take time to develop and solve.

We agree with the statement the Advisory Committee makes in the report that “complexity can impede effective communication through financial reporting between a company and its stakeholders. It also creates inefficiencies in the marketplace.” Unnecessary complexity will merely serve to make the financial reporting process more convoluted.

We also agree with the Advisory Committee’s assessment that the causes of complexity such as voluminous interpretations or a rules-based approach are many and varied and that the following are causes of complexity: complex activities, incomparability and inconsistency, nature of financial reporting standards, volume, audit and regulatory systems that challenge the use of professional judgment, educational shortcomings and information delivery.

Our view is that investors are not well served by complexity of financial reporting. The complexity and technical demands of accounting and disclosure standards have increased considerably in recent years. This becomes a drain on shareholder wealth from the excessively complex compliance process. We recommend that the FASB and the SEC, in coordination with key financial reporting stakeholders should take steps to end the proliferation of detailed rules. We also suggest that the SEC and the PCAOB should develop a framework that provides effective regulation in a principles based environment, one that balances the objective of investor protection with the need to maintain market competitiveness.

**The Advisory Committee notes that a smaller number of parties should disseminate interpretations of GAAP. We agree.**

We agree with the Advisory Committee’s opinion on this issue.

As discussed above, we recommend that the SEC reduce the level of complexity through the creation of a principle based approach. We believe that the process should remain with the FASB and not be shifted to the SEC or to any other federal or state regulatory authority. We continue to be committed to an independent standard setting process. We urge the FASB to disseminate interpretation and information relating to GAAP. Attempts by other parties who disseminate information is ineffective, confusing and should be kept to a minimum as it also potentially undermines the authoritative position of the FASB. As the move towards IFRS progresses, many of the issues we have raised may all become consolidated within the convergence process; we look forward to a global and singular financial standards model that will clearly address many of these complexity issues that exist today.

With the proliferation of information sent out by standard setters it is difficult to know what guidelines preparers should follow. For example, SEC staff often provides guidance in their speeches but they become very difficult to monitor. Speeches and press releases should not be considered as substitutes for official rule makings.

Therefore, while we agree that the dissemination of information is essential to understanding and interpreting GAAP, we note that if too many parties are involved in disseminating information this can often lead to much confusion for the preparers.

**The Advisory Committee states that the SEC should mandate the filing of XBRL-tagged financial statements. We recommend that smaller public companies should be granted delays.**

The CSMSPC agrees that with enough time and effort XBRL can be a useful tool for financial management. We recognize and support that the SEC may adopt XBRL and adopt a phased in approach for public companies. We understand that XBRL enables a more effective approach to the systems integration problem by standardizing how business information is described across internal software applications. By standardizing different proprietary applications, a significantly more efficient and effective environment for accessing and processing information is enabled.

However, should the SEC propose a mandatory adoption of XBRL we strongly recommend that smaller public companies be given certain consideration because of their inherent lack of time and resources that larger companies enjoy. Specifically, we would urge the Commission to establish a phased in approach for public companies based on revenue size or some other appropriate measure of size. We would contrast ourselves to the large public companies that are better equipped to integrate XBRL into their financial statements because of their resources and operational expertise.

Furthermore, small company financial statements are not as long and complex as larger public companies' statements and therefore XBRL may not provide as much benefit to the readers of the financial statements. Since large public companies will likely adopt XBRL before small and mid-size public companies, we recommend that the SEC wait to see how the public companies manage with the system before they mandate that smaller public companies adopt XBRL. As a result, we would recommend that the Advisory Committee urge the SEC that smaller or mid-sized public companies be granted a delayed effective date to implement XBRL.

**The Advisory Committee believes that investors should play a greater role in setting standards and that investor representation on standards-setting bodies is central to improving financial reporting. We agree that investors need to play a strong role; however, we suggest that they are already doing this.**

The Financial Accounting Standards Board already established the Investors Technical Advisory Committee (ITAC) to address this very issue and has effectively increased participation in the standard-setting process by investors with technical accounting knowledge. The ITAC is a resource to the Board and FASB staff that provides technical accounting advice from the investors' point of view on FASB projects. We emphasize and recognize that investors play a valuable role in the standards setting process; however investors should be accomplishing this already through the ITAC.

We urge the Advisory Committee to ensure the FASB maintains adequate small and mid-size public companies participation on the ITAC, keeping a balance between companies of all sizes. We encourage this input from the small to mid-sized public companies in the standard setting process to help simplify the standards. This should result in financial statements that provide a clear, timely and material view of the fiscal nature of the company. The standards should also weigh implementation cost of standards against the resources available to small and mid-sized companies.

In closing, we appreciate the opportunity to participate as constituents in the financial reporting process. Thank you for considering our comments on the Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting.

If you have any questions or wish to discuss this issue please feel free to contact me at 503-706-9590 or [karen@rasgroup.net](mailto:karen@rasgroup.net) or Serena Dávila at FEI's Washington, D.C. office at 202-626-7809 or [sdavila@financialexecutives.org](mailto:sdavila@financialexecutives.org).

Sincerely,

A handwritten signature in black ink that reads "Karen Rasmussen". The signature is written in a cursive, flowing style.

Karen Rasmussen  
Chair, Committee on Small and Mid-Sized Public Companies  
Financial Executives International