



By e-mail to rule-comments@sec.gov, File Number S7-11-08

Subject: Proposed Rule regarding the use of Interactive Data to Improve Financial Reporting

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Dear Ms. Morris,

FISD is pleased to have the opportunity to comment on the subject proposed rule. In general FISD members do not take positions regarding matters primarily related to accounting issues. In this case, however, we observe that the rule specifically addresses the technical format and structure of reported information, and a primary stated goal of the proposed rule is to enhance comparability between business entities. Our comments reflect concerns specifically related to business entity identification, the lack of definition regarding this in the proposed rules, and the corresponding lack of standards regarding this issue.

FISD represents a broad constituency base engaged in international capital markets businesses, focusing on market data from securities transactions and the corresponding reference data needed to address the related accounting, compliance, and business requirements. From this perspective, our members are involved on a daily basis with the operational mechanics necessary to link various information sources. We regard “comparability” in the sense used within the proposed rules as a subset of the operational issues raised by increasing global regulatory and operational requirements for enhanced transparency in capital markets. Entity identification is a critical piece for responding to these needs.

Business Entity Identification has been a topic of industry discussion and standards efforts for well over a decade now. Related FISD working groups have cited broad areas of concern including regulatory requirements, risk management, operations, and constraints on business growth. The recent decision on the part of ISO to form a new Working Group (ISO TC68/SC4/WG8) to address the issue of the IBEI standard is a reflection of industry desire to standardize a difficult area of concern as well as an acknowledgement of the lack of success of prior efforts. With regard to the subject proposed rule, our concern is that the ambiguity within this and related proposals with regard to the definition of business or legal entities and the information required to uniquely identify them will increase the inherent operational difficulties in this area, potentially generate significant additional costs for our members, while increasing the complexity of ongoing standardization requirements.

Thank you for the opportunity to express our concerns. Should you desire further clarification or background information, please contact Bill Nichols at (202) 789-4480 or bnichols@siia.net.

Very truly yours,

Bill Nichols
Program Director
Securities Processing Automation
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