

U.S. Securities and Exchange Commission
To the att. of Ms. Florence E. HARMON
Secretary
100 F Street, NE
Washington, D.C. 20549-9303
USA

Submitted via the website

Brussels, 6 August 2008

Re: Comments on Proposed Rules Relating to the Use of Interactive Data (XBRL or eXtensible Business Reporting Language)
Release 33-8924 of May 30, 2008 - File No.: S7-11-08

Dear Ms. Harmon,

EuropeanIssuers¹ is submitting this letter in response to the request of the Securities and Exchange Commission (the "Commission") for comments on the Commission's proposed rules discussed in Release 33-8924 of May 30, 2008 - File No.: S7-11-08 (the "Release"). The Release relates to the use of interactive data or XBRL (eXtensible Business Reporting Language) to improve financial reporting.

Under certain conditions XBRL may enable standardised data processing including access/identification, analysis, presentation/comparison and exchange of financial and other information. Therefore, like other formatted languages, XBRL may facilitate the exchange and use of data and reduce the time to access those data.

However, EuropeanIssuers does not believe that the potential benefits of XBRL would justify any mandatory use of XBRL. At any rate, the economic effects of using XBRL need to be further assessed over a period of time before a mandatory and costly filing procedure could be considered. This should generally be done in close co-operation with issuers and in a dialogue with international regulators to ensure proper coordination, including technical tests regarding the use of XBRL for financial information prepared in accordance with IFRS.

¹ EuropeanIssuers is a pan European organisation that represents the vast majority of publicly quoted companies in Europe. EuropeanIssuers was formed when EALIC, the European Association of Listed Companies, and UNIQUE, the Union of Issuers Quoted in Europe, combined their organisations in early 2008. Its members are national associations and companies from the following countries: Austria, Belgium, Bulgaria, Cyprus, Finland, France, Germany, Greece, Italy, the Netherlands, Poland, Portugal, Spain, Switzerland and the United Kingdom. These markets count some 9,200 listed companies with a combined market value of some € 8,500 billion. EuropeanIssuers is an International Non Profit Association under Belgian law with registered seat and permanent secretariat in Brussels.

In the Release, the Commission suggested that XBRL is permitted or required by regulators in a large number of countries, including several European countries.² The document cited by the Commission for this proposition, however, shows that in Europe this is only true for certain reports filed with banking regulators or unconsolidated financial statements filed with the commercial registries.³ **XBRL is not currently being used in Europe for financial reporting to investors.**⁴

In addition, to our knowledge neither analysts nor shareholders have complained about the *status quo* with respect to the use of XBRL. If there were a widespread demand for XBRL in the market and if (and only if) XBRL proved to be as beneficial for market participants as the Commission seems to assume, we would expect market forces to lead to a widespread voluntarily implementation, *quod non in casu*.

Similarly U.S. issuers appear to be reluctant to participate in the voluntary program of SEC. Although over 75 companies provide interactive data financial reporting within this program, this represents only about one percent of the entire market (according to data of the World Federation of Exchanges there are about 6.000 listed companies in the U.S.A.). Thus, **even in the U.S.A. the provision of XBRL tagged statements is by far not common to issuers.**

We also doubt that a significant share of relevant users of financial statements would use XBRL tagged statements. Unless a widespread commitment among the main potential users (e.g. analysts, investors, tax authorities, statistical bodies, central banks, regulators, stock exchanges, government agencies, information services and data providers) can be ensured, potential network effects (i.e. economic benefits) will not be realized and any requirement to provide XBRL tagged financial statements will be socially wasteful since it only imposes implementation and compliance costs on issuers.

One of the reasons why we do not expect financial analysts and investors to rely on XBRL data, is because there is a **fundamental problem with XBRL taxonomies**. ‘Official’ or ‘standardized’ taxonomies already available to the market do not cover many firm specific reporting needs. So companies have to create company-specific extensions to deal with this problem. An increase in firm-specific XBRL tags directly interferes with the need of investors and analysts to get comparable financial data about companies. As a result, XBRL will either result in too less flexibility (if companies were not allowed to provide extensions) or in too little comparable data (if companies were allowed to provide extensions). It is not achievable to make all the required information available through pure data processing. Excessive standardisation of data must be avoided as it may render financial communication overly inflexible: concerns have been raised by companies with regard to the presentation formats

² See Release at 14. The European countries cited by the Commission were Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Spain and the United Kingdom.

³ See XBRL International Progress Report (November 2007), available at http://www.xbrl.org/ProgressReports2007/2007_11_XBRL_Progress_Report.pdf; In Germany, the filings in the “Unternehmensregister” were not without problems, both in terms of content as on the technical level.

⁴ The only European securities regulator cited by the November 2007 XBRL International Progress Report is the French *Autorité des marchés financiers (AMF)*. As of the date of this letter, an AMF working group has recommended that the AMF adopt an XBRL pilot program, but as far as we are aware the AMF has not yet done so. See *Régulation – Sociétés Cotées, Autorité des marchés financiers*, First Quarter 2008, available at http://www.amf-france.org/documents/general/8123_1.pdf

resulting from standardisation of data or to the difficulty of disclosing additional information.

Whether these deficiencies could be solved and technical feasibility ensured in the future is at this moment far from clear, especially with respect to IFRS. The final taxonomy for IFRS tags was published only about a month ago, on June 24, 2008, based on a proposal made in March 2008.⁵ There is currently no practical experience with the use of this taxonomy for public financial reporting by listed companies. As of the date of this letter, the IFRS taxonomy for languages other than English is only available on the IASB website for the 2006 version of IFRS.

But even if they were available in future, analysts will in our expectation be very reluctant to trust tagged items and financial positions that they haven't double checked manually. One should therefore be extremely cautious to prematurely implement a standard which raises doubts on its acceptance in the market and its overall economic benefits.

For these reasons we are generally of the opinion that there is no need for public intervention and **XBRL should not become mandatory through regulatory action** in the United States of America, in Europe or in any other states. It should **be left to the free choice of listed companies to introduce and use XBRL for financial reporting reasons on a strictly voluntary basis.**

This is **in particular true for the adoption of additional reporting requirements for foreign private issuers.** Making the use of XBRL mandatory would impose **disproportionate additional implementation and compliance costs** to those issuers since they already have to comply with national reporting regimes in their home countries. Moreover the **equality of information** for different groups of investors may be negatively impacted: home country investors should have access to all information that listed companies publish, including information that they publish in response to the Commission's requirements. For this reason, most foreign companies are required to publish the same information in their home markets that they publish in the U.S. It is very unlikely however that non U.S. companies will be in a position to publish XBRL data in their home markets in a manner that would satisfy local information and regulatory requirements. If not, then home country investors will be denied access to the analytical tools that XBRL provides, putting them at a disadvantage compared to U.S. investors.

Finally we would like to bring up the **liability issue.** In its proposal, the Commission has adopted liability provisions designed to protect issuers from liability (other than for fraud) in connection with the production of interactive reports using XBRL.⁶ However, those liability protections would only apply in the United States. An issuer might **not be entitled to the same protection from liability** under its home country laws and regulations, and as a result might find itself subject to liability for tagging errors and similar matters that would not give

⁵ "IASB Foundation publishes IFRS Taxonomy 2008," press release of the International Accounting Standards Board (June 24, 2008), available at <http://www.iasb.org/News/Press+Releases/IASC+Foundation+publishes+IFRS+Taxonomy+2008.htm>.

⁶ See Release at 60-64.

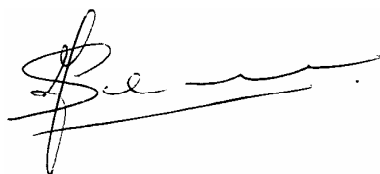
rise to liability in the United States. The proposed liability regime would impose significant additional liability risks on foreign issuers.

We fear that liability risks and implementation and compliance costs would – as a non unimportant side effect – decrease further the attractiveness of the U.S. market for foreign issuers.

We would therefore **recommend a general exemption from mandatory interactive reporting requirements for foreign private issuers in case the Commission decides to adopt the proposed rule**. The extended phase-in period for non U.S. issuers proposed by the Commission, though helpful, will not be sufficient in this respect. Footnote 68 on page 32798 of the proposal already offers an exemption to issuers that provide financial statements in accordance with a variation of IFRS as adopted by the IASB. But it is not clear whether this exemption would also apply for European issuers that report according to IFRS as adopted by the EU and/or reconcile to U.S. GAAP. We therefore ask the Commission to formally include European issuers listed in the U.S. in this exemption.

We stay at your disposal to discuss the above at your convenience.

Yours sincerely,



Jacques SCHRAVEN
Chairman



Dorien FRANSENS
Secretary General

CC: The Honorable Christopher Cox, Chairman
The Honorable Paul S. Atkins, Commissioner
The Honorable Kathleen L. Casey, Commissioner
The Honorable Elisse B. Walter, Commissioner
John W. White, Director, Division of Corporation Finance
Paul M. Dudek, Chief of the Office of International Corporate Finance
Ethiopsis Tafara, Director, Office of International Affairs

Commissioner Charlie McCreevy, European Commission
David Wright, Deputy Director General, Financial Markets, DG Internal Market
Eddy Wymeersch, Chairman, Committee of European Securities Regulators