



September 1, 2022

Renee Jones  
Director  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

***RE: Rendering SEC Correspondence with Issuers in Machine-Readable Format***

Dear Ms. Jones:

CFA Institute<sup>1</sup> is comprised of more than 190,000 investment professional members, investment analysts, advisers, portfolio managers, and other investment professionals worldwide. CFA Institute seeks to promote fair and transparent global capital markets and to advocate for investor protections.

Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of U.S. asset owners, primarily pension funds, state and local entities charged with investing public assets and foundations and endowments, with combined assets of approximately \$4 trillion. Our associate members include non-U.S. asset owners with more than \$4 trillion in assets, and a range of asset managers with more than \$35 trillion in assets under management. CII members share a commitment to efficient public capital markets and good corporate governance.<sup>2</sup>

***CFA Institute and CII are writing this letter jointly to ask the U.S. Securities and Exchange Commission (SEC or the Commission) to assist investors – as well as other stakeholders – by making SEC correspondence to, and from, public companies available in structured, machine-readable format.***

The SEC's comment letters to registrants provide valuable information that can be, and is, used by investors (as well as by auditors and the companies themselves) to: evaluate topics of current

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<sup>1</sup> With offices in Charlottesville, VA; New York; Washington, DC; Brussels; Hong Kong SAR; Mumbai; Beijing; Shanghai; Abu Dhabi; and London, CFA Institute is a global, not-for-profit professional association of more than 190,000 members, as well as 160 member societies around the world. Members include investment analysts, advisers, portfolio managers, and other investment professionals. CFA Institute administers the Chartered Financial Analyst® (CFA®) Program. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on [LinkedIn](#) and Twitter at [@CFAInstitute](#).

<sup>2</sup> For more information about the Council of Institutional Investors ("CII"), including its board and members, please visit CII's website at <https://www.cii.org/about>.

focus by the Commission; understand areas of regulatory concern as they relate to the registrant; identify areas of particular subjectivity or judgement; and understand matters which may be of financial concern to investors – all such information can factor into the investors’ decision-making processes.

Routinely, the Big 4 accounting firms publish summaries of such comment letters highlighting topics of particular interest to the Commission Staff to identify areas of attention for their clients. Further, registrants, when receiving comments from the Commission, seek to identify previous comments to other registrants by the Commission Staff on similar subjects to better understand the Commission’s basis for, and thinking on, the topics of their inquiry. Still further, the Financial Accounting Standards Board could use the tagged data to identify topics (or subtopics) that receive significant comment, to evaluate needed improvements in financial reporting. And, finally, the Commission itself could use the data to create an improved meta-analysis of its own commentary at a point in time and over time.

While the SEC publishes this correspondence on its website (i.e., in PDF format), it is difficult to locate, and even more challenging to search and consume. Additionally, while a few data providers extract and resell this information, the labor involved in producing it results in pricing that can be prohibitively expensive for investors and other stakeholders.

Investors, and other stakeholders, have become accustomed to using automatable narrative disclosures. They are significantly more useful than when in text or HTML format. Further, machine-readable narrative can be used to compare how textual data changes over time for a single company; or to compare narrative data for multiple companies with ease. Investors and data aggregators that work with structured, machine-readable data, are accustomed to reviewing tagged narrative disclosures such as footnotes, which are widely available in the US GAAP Taxonomy.

We urge the Commission to consider providing this data in structured (XBRL) format as it does with financial statement data produced by public companies. We believe that tagging comments related to financial statements and linking them to the US GAAP Taxonomy could be particularly helpful in connecting these two datasets (financial statements and the Commission’s commentary on them). It could also be highly valuable to the investment community and other stakeholders in understanding emerging topics. Comments related to information contained outside of financial statements could also be block tagged or tagged by key topic within the filing (e.g., MD&A, critical estimates, business, legal proceedings, liquidity, etc.) and could be equally – if not more – useful to investors as it represents management’s views on key issues.

This tagging may require some additional taxonomy development, but we believe that would be worthwhile for the content and context it could provide. A great example would be the derivation and use of non-GAAP measures outside financial statements and the trends and issues that emerge over time.<sup>3</sup> This could be especially useful to Commission Staff.

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<sup>3</sup> See generally Letter from Kenneth A. Bertsch, Executive Director, Council of Institutional Investors et al. to Vanessa Countryman, Acting Secretary, Securities and Exchange Commission (Apr. 29, 2019),

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CFA Institute and CII would be pleased to discuss our comments with you. If you or your staff have questions or seek further elaboration of our views, please contact Sandy Peters at [sandra.peters@cfainstitute.org](mailto:sandra.peters@cfainstitute.org) or Jeff Mahoney at [jeff@cii.org](mailto:jeff@cii.org).

Sincerely,

*/s/ Sandra J. Peters*

Sandra J. Peters, CPA, CFA  
Senior Head, Global Financial Reporting Policy  
CFA Institute

*/s/ Jeffrey P. Mahoney*

Jeffrey P. Mahoney, CPA, JD  
General Counsel  
Council of Institutional Investors

CC:

***U.S. Securities & Exchange Commission***

Chair Gary Gensler  
Commissioner Caroline Crenshaw  
Commissioner Jaime Lizárraga

Commissioner Hester Peirce  
Commissioner Mark T. Uyeda

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<https://www.sec.gov/rules/petitions/2019/petn4-745.pdf> (petition for rulemaking regarding the increasing use of Non-GAAP financial metrics in proxy statement CD&As).