June 22, 2021

Dave Bottom
Director/Chief Information Officer
Securities and Exchange Commission
c/o Cynthia Roscoe
100 F St NE
Washington, DC 20549

Dear Mr. Bottom:

RE: Extension of Rule 17g-7, Disclosure Requirements for NRSROs

We appreciate the opportunity to submit comments concerning the existing collection of information provided for in Rule 17g-7 under the Securities Exchange Act of 1934. This rule concerns disclosure requirements for Nationally Recognized Statistical Rating Organizations ("NRSROs") including certain information to be published when taking a rating action with respect to a credit rating.

XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL. XBRL is a free and open data standard widely used in the United States, and around the world, for reporting by public and private companies, as well as government agencies.

We support the Commission's efforts to improve the usefulness of credit rating data provided by requiring NRSROs to report this data in machine-readable, XBRL format. That said, the periodic review of data collection practices provides an opportunity to consider how the current reporting process can be improved to increase reporting efficiency and reduce the burden on reporting entities; and to increase the value of the data they report.

Reduce burden on reporting entities and data consumers.

There have been a number of developments in technology and standards since the Credit Rating Taxonomy was first built that could be leveraged to improve the reporting process for NRSROs. The taxonomy relies on the use of tuples to describe certain features of data reported. XBRL Dimensions 1.0[1] is a technical XBRL specification that also allows issuers to increase the specificity of reported data, and is more commonly used in taxonomies developed in the U.S. today than tuples. U.S. regulatory taxonomies that rely on dimensions include the US GAAP Financial Reporting Taxonomy for public companies, the International Financial Reporting Standards (IFRS) Taxonomy for foreign private issuers, the Federal Deposit Insurance Corporation (FDIC) Taxonomy for banks, and the Federal Energy Regulatory Commission (FERC) Taxonomy for public utilities. Because dimensions are more widely used today than tuples, there are more applications to extract, query, and analyze data prepared using dimensions. We encourage the Commission to revise the Credit Rating Taxonomy to replace tuples with dimensions to represent different aspects of reported data.

Second, we encourage the Commission to require NRSROs to prepare their submissions using XBRL-CSV, rather than XBRL-XML as they do today. XBRL-CSV was not available in the XBRL specification at the time that the SEC rule for credit rating agencies went into effect. XBRL-CSV is a technical XBRL specification developed by XBRL International as part of the Open Information Model (OIM)[2] initiative. OIM provides a syntax-independent model for XBRL data, allowing reliable transformation of XBRL data into other representations including HTML, JSON, XML, and CSV. XBRL-CSV allows filers to prepare data in CSV files and is particularly useful when reporting large volumes of repetitively prepared data. Requiring NRSROs to prepare ratings data using XBRL-CSV would reduce their reporting burden.

XBRL-XML files of credit rating data can be quite large so most NRSROs prepare the data in multiple files, and then bundle them into one or more zip files. Downloading, unzipping, and reviewing multiple, large XML files is time-consuming and inefficient for data consumers.

We urge the Commission to take advantage of this new specification which would make the data easier to prepare and to consume. Filers could submit a single CSV file that contains ratings for every issue, and eliminate the need for multiple zip files. CSV files can be opened directly into Excel. Excel has a limit of 1 million rows and some issuers may have more than 1 million rows in a single CSV file containing their annual ratings history. The Commission could suggest that issuers split a large CSV into separate files with a maximum of 1 million rows per CSV to ease data extraction. For those issuers that opt for a single CSV, the data user will need to split the single CSV into multiple files before the data can be extracted into Excel. Either option will be a significant improvement from the process today for data preparation and extraction which is cumbersome and time-consuming.

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[1] XBRL Dimensions 1.0: https://specifications.xbrl.org/work-product-index-group-dimensions-dimensions.html

[2] XBRL International Open Information Model 1.0: https://specifications.xbrl.org/work-product-index-open-information-model-open-information-model.html

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Page 2 of 4

Third, require issuers to file the XBRL-formatted credit ratings data directly into the SEC EDGAR system. Today, NRSROs are required to submit Form NRSRO which includes a link to Exhibit 1 which then links off to the XBRL-formatted data. As stated on the SEC web site[3], the data should be made available on an "...*easily accessible portion of each NRSRO's website*." This process requires multiple clicks, in some cases including legal click-throughs from users, before they can access the credit rating data. Direct submission and posting to the SEC EDGAR System would make it much easier for data users.

Fourth, update the taxonomy to include both the Legal Entity Identifier (LEI) and the Financial Instrument Open Identifier (FIGI)[4]. The SEC rule allows NRSROs to use an identifier of choice and most opt for the CUSIP[5] as identifiers for both the organization and the individual issues. The CUSIP is a proprietary identifier owned by the American Bankers Association and managed by Standard & Poor's Global Market Intelligence, with associated license fees for access to, and use, of the identifiers. The LEI and the FIGI provide a free and open, nonproprietary option which could reduce the cost for issuers and users of the data. Most credit rating data today leverages the CUSIP, however Bloomberg offers a free mapping tool that would allow existing CUSIPs to be mapped to the FIGI.

Improve the value of reported data.

Today, structured, XBRL-formatted credit rating data is freely available to the public, but is delayed by twelve months. The delay was allowed by the Commission when the rule was established because historically NRSROs have resold ratings data; the delay allows them to maintain this revenue stream by selling ratings data that is more timely than the free, XBRL-formatted version.

Ideally, the ratings data in machine-readable (XBRL) form would be made available freely to the public coincident with it being finalized. We recognize however, that this may not be feasible given historical precedent. We ask instead, that the Commission consider reducing the twelve month waiting period to six, three, or even a one month period for issuer-paid ratings as the NRSRO is already receiving payment for the work performed to develop these ratings. This change would vastly increase the value of the data for researchers and others who rely on this data. NRSROs could still resell the more timely ratings data (even issuer-paid ratings data), because "real time" ratings data will always be more valuable than delayed data, even if the delay is limited to one month. This change would allow NRSROs to maintain that revenue stream.
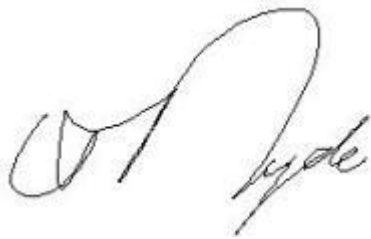
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[3] SEC.gov "Information Regarding the Disclosure of Credit Rating Histories Pursuant to Rule 17g-7(b):
https://www.sec.gov/ocr/disclosure-of-credit-rating-histories.html

[4] Open FIGI: https://www.openfigi.com/about/figi

[5] Committee on Uniform Securities Identification Procedures: https://www.cusip.com/index.html

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Page 3 of 4

We appreciate the opportunity to comment on the SEC data collection extension for NRSROs. We would welcome the opportunity to discuss this issue further. Please feel free to contact us if you have any follow up questions or would like to discuss. I can be reached by emailing campbell.pryde@xbrl.us or at (917) 582-6159.

Respectfully,

Campbell Pryde,
President and CEO

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*Page **4** of **4***