

April 11, 2022



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Vanessa A. Countryman, Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

Dear Ms. Countryman:

RE: Modernization of Beneficial Ownership Reporting, File Number S7-06-22

We appreciate the opportunity to comment on the Securities and Exchange Commission (SEC) proposal on Modernization of Beneficial Ownership Reporting. We support the requirement in the proposal that data reported on Schedules 13D and 13G be provided in structured format, however we urge the Commission to opt for the XBRL format, rather than creating an XML schema designed specifically for beneficial ownership reporting as currently proposed. Adopting the open, widely used XBRL standard will result in significantly lower cost and efficiencies across both reporting entities and data users; consistent datasets that can be easily commingled with other datasets; and enhanced validation capabilities to improve data quality.

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.

This letter provides our responses to specific questions raised in the proposal:

*79. Should we replace the current HTML or ASCII requirement for Schedules 13D and 13G with a structured data requirement for the disclosures reported on those Schedules, as proposed?*

We support the move to adopt a structured data requirement for Schedule 13G and 13D disclosures. Given the value of this data, and the need to have access to it on a timely basis, structuring and rendering the data machine-readable will enhance its usefulness significantly.

*80. Rather than adding a structured data requirement for all disclosures (other than exhibits) reported on Schedules 13D and 13G, should we narrow the requirement to cover only a subset of the disclosures, such as the quantitative disclosures?*

We agree with the proposal to require structured data requirements for all disclosures, including quantitative and narrative, as both types of data will be more useful and accessible when in machine-readable form.

*81. Should we require the disclosures on Schedules 13D and 13G to be submitted using a different structured data language than 13D/G-specific XML? Why or why not? If another structured data language would be more appropriate, please identify which one, and explain why.*

We encourage the Commission to opt for XBRL rather than create a single-use data schema that will require data users to build new code to access it, and require providers of reporting applications to build new products to generate the data on behalf of filers. Filers today already have over a decade of experience, and access to the appropriate tools, to prepare their data in XBRL format. Similarly, data aggregators and analytics tools have been extracting XBRL-formatted data for years and are accustomed to processing structured data in XBRL format. Data aggregators can extract data from XBRL files in a fraction of the time it takes to extract data from other formats, and have the tools in place to do so automatically. By switching to XBRL, the Commission would not bear the cost of building a custom XML schema and could simply add ownership concepts needed, e.g., text blocks, check boxes, identifiers, to one of the taxonomies already in use by reporting entities.

In addition, a footnote in the proposal states, “... *the Commission would develop electronic “style sheets” that, when applied to the reported XML data, would represent that data in human-readable form on EDGAR.*” If the SEC requires reporting entities to submit data in Inline XBRL (which is both human- and machine-readable) the Commission would not need to develop, test, and implement “style sheets”. Schedule 13D and 13G submissions would be computer-readable and human-readable on submission. Alternatively, the Commission could require the data to be reported in traditional XBRL which can be automatically rendered into a form, again without the need for the Commission to build and maintain style sheets.

Choosing XBRL would also enhance the ability to make future changes to Schedules 13D and 13G. Inevitably there will be changes in reporting requirements to keep up with market demand. Incorporating changes in reporting is easier with XBRL as the revision needs to be made once in the taxonomy, and is then communicated to supporting applications that report and consume the data. With a custom-built XML schema, reporting change will require each custom reporting and extraction tool to be re-coded to adapt to the change. There is no single data model in a custom XML schema, therefore a change to the schema means a change to all the custom tools built to work with it.

Opting for XBRL also means that the 13G and 13D data generated will be interoperable with other XBRL-formatted data, enhancing the ability to commingle datasets and more easily share and inventory different data stores. Adopting a single open, nonproprietary data standard will allow investors and regulators to get a complete picture of the investment landscape in one data format, eliminating the need to piece together information from disparate, incompatible data stores.

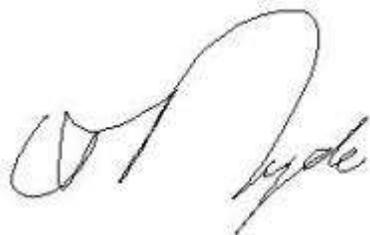
Lastly, the XBRL standard allows for better validation than XML. Existing XBRL validation languages can be used to validate CUSIP numbers in the 13G and 13D data, without custom coding. Incorrect CUSIP numbers are a key problem in securities data that can be resolved by opting for a data standard that has an easy, built-in method to establish concrete checks to highlight errors so they can be quickly corrected.

*82. Would this proposed requirement yield reported data that is more useful to investors, compared with maintaining the current HTML or ASCII requirement for Schedules 13D and 13G, or requiring Schedules 13D and 13G to be filed in a structured data language other than a 13D/G-specific XML?*

Machine-readable, structured data is significantly better than working with HTML or text files. As noted in a video<sup>1</sup> by the Global Director of Equity Data at Morningstar, “*Extracting data from an HTML document takes at least 20 minutes, from a good quality PDF, takes around 30 minutes, from an image around 50 minutes. Data pulled from an XBRL file though, can be extracted in 1 to 2 seconds... let’s us focus on better analytics rather than scraping data from documents.*”

Thank you for the opportunity to provide input to the Commission’s proposal on shortening the securities settlement cycle. Please feel free to contact me if you have questions concerning our responses, or would like to discuss further. I can be reached at (917) 582 - 6159 or [campbell.pryde@xbrl.us](mailto:campbell.pryde@xbrl.us).

Respectfully,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', is positioned above the typed name.

Campbell Pryde,  
President and CEO

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<sup>1</sup> Investor video: <https://xbrl.us/news/analyst-video/>