

August 25, 2023



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Office of Structured Disclosure
Division of Economic and Risk Analysis
Securities and Exchange Commission
100 F Street NE
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To Whom It May Concern:

RE: Resource Extraction (RXD) Taxonomy and Program Feedback

Thank you for the opportunity to provide comments regarding the Resource Extraction (RXD) Taxonomy, which was developed to support the Securities and Exchange Commission (SEC) final rule, *Disclosure of Payments by Resource Extraction Issuers*. This letter provides input to the taxonomy and supporting materials, and specifically asks if issuers could be allowed to opt for Inline XBRL rather than traditional (XML) XBRL in complying with this rule.

This letter was prepared by the XBRL US Regulatory Modernization Working Group (RMWG) which is a member consortium within XBRL US, composed of the majority of XBRL vendors that support the public company and investment management SEC filer community. 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 government and business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for eXtensible Business Reporting Language (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 banks and government agencies.

Inline XBRL as an option

The rule *Disclosure of Payments by Resource Extraction Issuers*, was originally finalized on June 27, 2016, with a requirement that payment disclosure information be presented in XBRL.

In 2018, the SEC finalized a separate rule requiring public companies to transition to Inline XBRL from traditional (XML) XBRL for their financial statement disclosures. Companies were required to phase in over three years, starting with large, accelerated filer compliance for periods on or after June 15, 2019.

Implementation of the Resource Extraction rule was delayed, and it was then re-proposed in December 2019 for a second comment period. During this exposure period, XBRL US submitted

a comment letter¹ in which we stated, “While we are agnostic as to whether conventional (XML-based) XBRL or Inline (HTML-based) XBRL is adopted, the Commission may wish to consider that it may be easier for filers to prepare their standardized financials using a single format, e.g., Inline XBRL or conventional XBRL, rather than switching back and forth between formatting types. Greater efficiencies could be realized by both filers and vendors if they are required to use the same underlying format.”

The XBRL standard is a semantic data model that captures the structure of the data in a consistent fashion, but which can be transported in various formats, including CSV, XML, XHTML (Inline XBRL), or JSON. This specification, called the Open Information Model (OIM) was developed by XBRL International to ensure that the structure of the XBRL standard can adapt to different technologies. Certain formats are more appropriate for different types of data. High volume, consistently prepared data, for instance, is better suited to CSV files; data that needs to be both human- and machine-readable, may more appropriately be reported in Inline XBRL. Data prepared in compliance with the Resource Extraction rule, for example, could be more efficiently prepared in XBRL-CSV.

The SEC finalized the Resource Extraction rule a second time in December 2020, and retained the requirement for traditional XBRL rather than Inline XBRL in the final version of the rule.

Today, every public company reports their financial statements using Inline XBRL. With this letter, the XBRL US RMWG asks that issuers be given the option to prepare their Form SD in compliance with the Resource Extraction rule, using either Inline XBRL or traditional XBRL. As noted in our March 16, 2020, letter, Inline XBRL may provide greater efficiencies for issuers, as these entities report all other structured data in the Inline XBRL format. Giving issuers the option to prepare data in Inline XBRL or traditional XBRL will not change the usability or ease of access of the reported data.

Separately, as all other XBRL filings have moved to Inline XBRL, the reliance on the EDGAR Renderer has declined significantly. The reintroduction of XML-formatted XBRL instances makes it necessary for filers to use the EDGAR Renderer to view the XBRL in a human readable presentation. Rendering an RXP instance may be different than rendering a 10-Q or 10-K. Filers should be made aware that successfully rendering the presentation in the EDGAR renderer is not necessary.

Questions for further clarification

We also ask that the Commission provide responses to the following questions to help clarify technical aspects of the final rule:

- The presentation includes totals by government, project, category, and payment type. Is our understanding correct that there is no need to define a calculation structure for the totals elements (for example, totals by project, category, payment type)?

¹ XBRL US Comment letter, March 16, 2020: <https://xbrl.us/wp-content/uploads/2020/03/XBRL-US-Comment-on-SEC-Proposal-RE-Resource-Extraction-Issuers-File-S7-29-14.pdf>

- EFM 6.3.2 suggests that only the schema needs to be supplied. Can we confirm that issuers are not *allowed* to file separate linkbases (calculation, definition, presentation), therefore they are required to embed linkbases in the XBRL schema submission?
- Does Exhibit 2.01 also need to be provided in HTML, in addition to XBRL? The documentation is silent on that point.
- Will the SEC support the use of the Extensible Enumerations 2.0 specification (rather than 1.0)? This is the only taxonomy that does not support this specification release.

Last, we ask that the Commission provide sample instance documents that present different possible scenarios. This would greatly assist issuers to prepare good quality submissions.

Thank you for giving us the opportunity to provide our comments and suggestions. Let me know if you would like to discuss our remarks in greater detail or if you have questions that we can answer.

Sincerely,

XBRL US Regulatory Modernization Working Group
(Member names and organizations: <https://xbrl.us/xbrl-reference/rmwg/>)