

SUPPORTING STATEMENT FOR INTERACTIVE DATA AND VOLUNTARY XBRL-RELATED DOCUMENTS

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995 (“PRA”), 44 U.S.C. Section 3501 et seq.

A. JUSTIFICATION

1 & 2. Necessity for and Purposes of the Information Collection

We are adopting a collection of information entitled “Interactive Data” with the purpose of making financial information easier for investors to analyze and assisting issuers in automating regulatory filings and business information processing.¹

For the past several years, the Commission has been evaluating the use of interactive data tagging as a tool to improve the timeliness and accessibility of the information contained in electronic filings with the Commission under the federal securities laws.² As part of our evaluation of the potential of interactive data tagging technology, the Commission adopted rules in 2005 instituting a program that permitted filers, including investment companies,³ to submit on a voluntary basis specified, financial statement disclosure tagged in eXtensible Business Reporting Language, or XBRL, format as an exhibit to certain filings on the Commission’s

¹ Securities Act Release No. 9002 (Jan. 30, 2009) (74 FR 6776 (Feb. 10, 2009)) (“Interactive Data Adopting Release”). The collection of information was proposed in Securities Act Release No. 8924 (May 30, 2008) (73 FR 32794 (June 10, 2008)) (“Interactive Data Proposing Release”).

² Data tagging uses standard definitions (or data tags) to translate text-based information into data that is interactive, that is, data that can be retrieved, searched, and analyzed through automated means. Tags are standardized through the development of taxonomies, which are essentially data dictionaries that describe individual items of information and mathematical and definitional relationships among the items.

³ We use the term “investment companies” in this Supporting Statement to mean, in general, entities that are engaged primarily in investing, reinvesting or trading in securities. We use the term “mutual fund” in this Supporting Statement to mean the type of investment company that, in general, stands ready to redeem and sell its own shares on an ongoing basis. The Division of Investment Management has primary responsibility for overseeing investment companies. The Division of Corporation Finance has primary responsibility for overseeing other types of entities to which we refer in this Supporting Statement as “companies” or “corporations.” Companies and investment companies are required to provide significantly different types of information in many respects as a result of the differing nature of their businesses.

Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”).⁴ In 2007, we extended the program to enable mutual funds voluntarily to submit in XBRL format supplemental information contained in the risk/return summary section of their prospectuses.⁵ The current voluntary program permits any registered investment company to participate merely by submitting a tagged exhibit in the required manner. These exhibits are publicly available but are considered furnished rather than filed. The Commission adopted the voluntary program to help evaluate the usefulness of data tagging and XBRL to registrants, investors, the Commission, and the marketplace.⁶ The title for the information collected in these exhibits is “Voluntary XBRL-Related Documents.”

Shortly after instituting the voluntary program in early 2005, the Commission began receiving submissions, and in 2006, the Commission announced an interactive data test group under the voluntary program, in which companies voluntarily agreed to furnish financial data in a tagged format for at least one year and provide feedback on their experiences, including the costs and benefits.⁷ To date, over 100 companies and investment companies have made submissions under the voluntary program and over 20 of these companies responded to a voluntary questionnaire on their experience.

⁴ Securities Act Release No. 8529 (Feb. 3, 2005) (70 FR 6556 (Feb. 8, 2005)) (“XBRL Adopting Release”). See also Securities Act Release No. 8496 (Sept. 27, 2004) (69 FR 59094 (Oct. 1, 2004)); Securities Act Release No. 8497 (Sept. 27, 2004) [69 FR 59111 (Oct. 1, 2004)] (concept release soliciting comment on data tagging).

⁵ Securities Act Release No. 8823 (July 11, 2007) (72 FR 39290 (July 17, 2007)).

⁶ XBRL Adopting Release, supra note Error: Reference source not found, 70 FR at 6556.

⁷ The Commission announced that its staff would offer expedited reviews of registration statements or annual reports to companies that volunteered for the test group. SEC Offers Incentives for Companies to File Financial Reports with Interactive Data, Securities and Exchange Commission Press Release, Jan. 11, 2006, available at: <http://www.sec.gov/news/press/2006-7.htm>. For more information about the Commission’s interactive data initiatives, see the Commission Web page “Spotlight On: Interactive Data and XBRL Initiatives” available at: <http://www.sec.gov/spotlight/xbrl.htm>.

The new collection of information builds on experience with the voluntary program and will require that companies provide specified financial information to the Commission and post it on their corporate Web sites, if any, in XBRL format. The specified financial information already is and will continue to be required to be submitted to the Commission in traditional format under existing requirements. We believe that the new rules will enable investors and others to search and analyze the financial information dynamically; facilitate comparison of financial and business performance across issuers, reporting periods and industries; and, possibly, provide a significant opportunity to automate regulatory filings and business information processing with the potential to increase the speed, accuracy, and usability of financial disclosure. We also believe that the new rules may lead to more efficient capital formation and allocation.

In connection with adopting the new collection of information, we modified the voluntary program and, as a result, the related collection of information entitled “Voluntary XBRL-Related Documents.” We modified the voluntary program to eliminate participation by companies - they will be required to provide information under the new collection of information. Since April 13, 2009, companies no longer have been able to participate in the voluntary program.

Specifically, we modified the voluntary program to limit participation to investment companies. Investment companies only will be permitted to submit financial statement information, portfolio holdings information and, until January 1, 2011, risk/return summary information under the voluntary program. After January 1, 2011, mutual funds will not be permitted to submit risk/return summary information under the voluntary program. Instead, they will be required to submit risk/return summary information in XBRL format under a mandated

program establishing a collection of information entitled “Mutual Fund Interactive Data” which is the subject of a separate Supporting Statement.⁸ In a Notice of OMB Action dated Aug. 30, 2008, OMB approved the revision of the Voluntary XBRL-Related Documents collection of information that results from eliminating the voluntary submission of risk/return summary information after January 1, 2011.

We believe the three sets of interactive data requirements that constitute the voluntary program (Voluntary XBRL-Related Documents), mandated mutual fund program (Mutual Fund Interactive Data) and mandated corporate program (Interactive Data) appropriately are characterized as separate collections of information and the subject of separate submissions to OMB because, among other reasons,

- each relates to a significantly different aspect of the Commission’s involvement with interactive data –
 - the voluntary program now relates only to investment companies and continues to enable investment companies and the Commission alike to gain experience with interactive data in regard to a type of information that currently only can be submitted in interactive data format in the voluntary program;

⁸ On December 17, 2008, the Commission voted to adopt rules requiring interactive data for the risk/return summary section of mutual fund prospectuses. See Interactive Data Adopting Release and Securities Act Release No. 9006 (Feb. 11, 2009) (74 FR 7748) (Feb. 19, 2009). See also Securities Act Release No. 8929 (June 10, 2008) (73 FR 35442) (June 23, 2008)) (proposing a separate collection of information that would require mutual funds to provide risk/return summary information in XBRL format).

- the mutual fund required program relates only to mutual funds and a specified type of information that differs from the type involved in the voluntary program; and
 - the corporate required program relates only to corporate filers and a specified type of information;
- characterizing the three sets of requirements as a single collection of information could cause confusion, especially because they have been characterized in multiple public documents as separate collections of information having separate OMB Control Numbers;
- going forward, we expect that the Division of Investment Management would address information collection changes related to the voluntary program and, possibly at a different time and for different reasons, the required mutual fund program, and the Division of Corporation Finance would address information collection changes related to the required corporate program consistent with maintaining separate collections of information; and
- even though a single supporting statement is submitted for the new corporate mandated program and the related revision to the voluntary program, it is typical for a single supporting statement to relate to multiple information collections consistent with the fact that a single Commission adopting release often affects multiple information collections and, as a result, background information and comments received on the preceding proposing release may apply across collections.

3. Role of Improved Information Technology

EDGAR is designed to automate the filing, processing and dissemination of information filed with the Commission. The system permits publicly held companies to transmit filings to the Commission electronically. This automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. Responses under the new collection of information will be submitted to the Commission electronically on EDGAR and posted on the filer's corporate Web site, if any, in XBRL format. The public may access submissions on EDGAR through the Commission's Internet Web site (<http://www.sec.gov>) or at EDGAR terminals located in the Commission's public reference rooms.

4. Efforts to Identify Duplication

The new collection of information will require in interactive data format financial information that already is and will continue to be required to be submitted to the Commission in traditional format under existing requirements. Some of such information was permitted to be submitted to the Commission in interactive data format under the voluntary program but such submissions under the voluntary program no longer are permitted now that the new collection of information is effective. When the information is in traditional format it cannot be used as effectively as when in an interactive data format that a variety of software applications can recognize and process. Interactive data format facilitates making financial information easier for investors to analyze and assisting issuers in automating regulatory filings and business information processing.

5. Effect on Small Entities

EDGAR is designed to provide all issuers, including small entities, with greater efficiencies in filing information with the Commission.

Required electronic submission of interactive data on EDGAR will impose some costs on all issuers that submit interactive data, including those that are small entities. Small entities will not, however, be subject to the new requirements until the third year of the phase-in and, as all other issuers, in general, will not be required to tag in detail the footnotes and schedules to their financial statements until their second year subject to the requirements and will have a 30-day grace period to make their initial interactive data submission and a 30-day grace period to make their initial interactive data submission when required to tag in detail the footnotes and schedules to financial statements.

6. Consequences of Less Frequent Collection

If the new collection were not conducted, the information it will require in interactive data format would be available through the Commission only in the traditional format that cannot be used as effectively as interactive data format to facilitate making financial information easier for investors to analyze and assisting issuers in automating regulatory filings and business information processing. If the new collection were conducted less frequently, it would apply to less information and, as a result, would be less likely to facilitate its intended purposes and achieve its expected benefits.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not Applicable.

8. Consultation Outside the Agency

The Interactive Data Proposing Release solicited comments on the proposed collection of information in general and on the expected PRA effects in particular.⁹ The comment period ended on August 1, 2008.¹⁰ One commenter addressed the PRA directly, while others commented generally on the time and cost burden of the amendments. We address these comments below. We received comments on the proposal to set up the voluntary program from issuers, trade associations, the legal and accounting professions, software companies and other interested parties. We also received questionnaire responses from some participants in the voluntary program. Finally, the Commission and staff participate in an ongoing dialogue with persons and entities involved in data tagging through public conferences, meetings, and informal exchanges.

The commenter that addressed the PRA directly stated that our PRA cost estimates appeared low and that our estimates understated software and non-software costs such as planning and ongoing quality assurance. Other commenters provided their own estimates of the amount of time it would take to tag financial statements and footnotes.

In the Interactive Data Proposing Release, the number of hours to detail tag the footnotes in the second year of the requirements was estimated at 100 hours for the first filing, and 50 for subsequent filings. Several commenters provided alternative estimates. For example, one commenter suggested that detailed tagging initially would require 80 hours of time, while another commenter indicated that 40 hours would be required on an ongoing basis. Although

⁹ The comments are available at <http://www.sec.gov/comments/s7-11-08/s71108.shtml>.

¹⁰ We also submitted a request to OMB for review in accordance with the PRA with regard to the proposed new collection. OMB responded that it would not act on the request until the Commission supplements the request at the adopting stage with a discussion that includes the Commission's response to comments received on the proposed rules.

both of these estimates are below our estimate, other commenters argued that the proposed detailed footnote tagging requirement would require significant effort by the issuer and suggested that the time required to comply with the requirement would be hundreds of hours, three to four times higher than our estimate, and an order of magnitude higher than our estimate.

One of the considerations responsible for the wide variation in predicted time for detailed tagging was the proposed requirement to tag the narrative portion of the footnote. Unlike the discrete numerical values in the face financials that are well-defined and easy to quantify, the narrative portion of the footnotes provides a higher degree of variability in the number and structure of reported items. While we adopted the proposed requirement to tag separately each amount within a footnote (*i.e.*, monetary value, percentage, and number), we will permit, but not require, filers to tag, to the extent they choose, each narrative disclosure. As a result, the cost estimates for detailed tagging in the Interactive Data Adopting Release are reduced by 30%, to 70 hours for the first filing, and 35 hours for subsequent filings. Nevertheless, it is reasonable to assume that many filers, particularly the largest filers with the most complex filings, may require more than 70 hours to comply with the detailed tagging requirement. It is also reasonable to assume that many filers will require significantly less time than 70 hours, and 70 hours seems to fall within the range suggested by commenters and what is anticipated by Commission staff. We believe that the proposed requirement to tag each narrative disclosure within a footnote that, as adopted, will be optional, probably was a significant component of the higher estimates provided by commenters.

Some commenters who opposed the amendments generally asserted that interactive data would not improve the usefulness of financial information to analysts or investors or that the Commission underestimated the complexity or cost of compliance in general and implementing

interactive data would add significant costs to purchase software, and pay for assistance and annual maintenance fees for that software and that the costs of using interactive data outweighed the benefits.

In contrast, some commenters that supported the required submission of interactive data believed it would improve the usefulness of financial information to companies and investors, and that mandated interactive data use would provide the incentives to drive sufficient investment in software to enable widespread adoption of interactive data. Also in contrast, commenters that provide interactive data services stated that issuers would need to expend only modest cost and effort to comply with the requirements. One commenter stated that it expected that costs would fall quickly, especially for small companies, as interactive data became part of standard corporate accounting software packages. Another commenter stated that, based on its experience in the voluntary program, costs would fall significantly for subsequent submissions.

We acknowledge the concerns some commenters hold regarding usefulness and cost but believe that interactive data have the potential to increase the speed, accuracy and usability of financial disclosure, and eventually reduce costs and that the phase-in schedule and the grace periods will provide issuers the time to learn more cost-effective ways to comply. We also believe that the third year phase-in for smaller reporting companies will permit them to learn from the experience of the earlier filers. Further, we will be monitoring the experiences of issuers during the phase-in periods to assess commenters' concerns.

9. Payment or Gift to Respondents

Not Applicable.

10. Assurance of Confidentiality

Not Applicable.

11. Sensitive Questions

Not Applicable.

12. Estimate of Respondent Hour Burden

Our earlier estimates in connection with the Interactive Data Proposing Release and our current estimates in connection with the Interactive Data Adopting Release regarding hour burden related to the new collection of information are based on the same approach. Our estimates of the number of respondents and responses are based on the number of issuers that have filed in the past the type of information that would be subject to the proposed collection of information requirement and the frequency with which they have filed it. Our estimates of the internal burden hours are based on voluntary filer participant questionnaire results in regard to a respondent's face financial statements and based on qualitative assessments of time in regard to financial statement footnotes and schedules.

In connection with the Interactive Data Proposing Release, we estimated that over the first three years under the proposed collection of information, an average of 4708 respondents per year would each submit an average of 4.6 responses per year at an average internal burden of 54 hours per response¹¹ for a total average of 21,657 responses per year and a total average annual internal burden of 1,169,478 hours.¹² We estimated that in the fifth year under the proposed collection of information, 11,893 respondents would each submit an average of 4.7

¹¹ We included in the number of responses those that present information contained in both initial filings and amended filings. We estimated, however, that the burden incurred in connection with a response that presents information contained in an amended filing would be one half the burden that would be incurred in connection with a response that presents information contained in an initial filing. We believe that a response related to an amended filing typically could be based on a previously prepared response related to the initial filing being amended and, as a result, would require less effort.

¹² This estimate of the total average annual internal burden of 1,169,478 hours exceeded by 4788 hours (.4%) the estimate of the total average internal annual burden of 1,164,690 we provided in the Interactive Data Proposing Release due to rounding in a manner consistent with the rounding required in connection with submitting PRA applications to OMB.

responses at an average internal burden of 67 hours per response for a total of 55,897 responses and a total internal burden of 3,745,099 hours.¹³

In connection with the Interactive Data Adopting Release, we estimate that over the first three years under the new collection of information, an average of 4055 respondents per year will each submit an average of 4.5 responses per year at an average internal burden of 51 hours per response¹⁴ for a total average of 18,248 responses per year and a total average annual internal burden of 930,648 hours.¹⁵ We estimate that in the fifth year under the new collection of information, 10,229 respondents will each submit an average of 4.5 responses at an average internal burden of 56 hours per response for a total of 46,031 responses and a total internal burden of 2,577,736 hours.¹⁶

The differences between our earlier estimates in connection with the Interactive Data Proposing Release and our current estimates in connection with the Interactive Data Adopting

¹³ By the fifth year under the proposed requirements, filers to be phased in generally will have been subject to the new requirements for at least two years. As a result, filers generally would incur burdens applicable to interactive data filings made after the first filing in which the filer detail tagged footnotes and schedules. We provided an estimate of the burden in the fifth year under the proposed requirements because we believe the burden in the fifth year may help indicate what the burden would be under the proposed requirements on an ongoing basis. This estimate of the total internal burden in the fifth year of 3,745,099 hours exceeded by 1416 hours (.04%) the estimate of the total internal burden in the fifth year of 3,743,683 hours we provided in the Interactive Data Proposing Release due to rounding in a manner consistent with the rounding required in connection with submitting PRA applications to OMB.

¹⁴ We include in the number of responses those that present information contained in both initial filings and amended filings. We estimate, however, that the burden incurred in connection with a response that presents information contained in an amended filing would be one half the burden that would be incurred in connection with a response that presents information contained in an initial filing. We believe that a response related to an amended filing typically could be based on a previously prepared response related to the initial filing being amended and, as a result, would require less effort.

¹⁵ This estimate of the total average annual internal burden of 930,648 hours exceeds by 13,802 hours (1.5%) the estimate of the total average internal annual burden of 916,846 we provided in the Interactive Data Adopting Release due to rounding in a manner consistent with the rounding required in connection with submitting PRA applications to OMB.

¹⁶ This estimate of the total internal burden in the fifth year of 2,577,736 hours exceeds by 6569 hours (.3%) the estimate of the total internal burden in the fifth year of 2,571,167 hours we provided in the Interactive Data Adopting Release due to rounding in a manner consistent with the rounding required in connection with submitting PRA applications to OMB.

Release regarding hour burden primarily are due to making optional the proposed requirement to detail tag the narrative disclosures in footnotes and schedules¹⁷ and eliminating issuers of asset-backed securities that inadvertently were included in the estimate made in connection with the proposed rules.¹⁸

The currently approved collection of information for Voluntary XBRL-Related Documents includes a total average of 340 responses per year and a total average annual internal burden of 4974 hours. We estimate that modifying the voluntary program to eliminate participation by companies that will be required to provide information under the new collection of information will result in a reduced total average of 45 responses per year and a total average annual internal burden of 630 hours.

13. Estimate of Total Annualized Non-Hour Cost Burden

Our earlier estimate in connection with the Interactive Data Proposing Release and our current estimate in connection with the Interactive Data Adopting Release regarding non-hour burden related to the new collection of information are based on voluntary filer participant questionnaire results.

In connection with the Interactive Data Proposing Release, we estimated that over the first three years under the proposed collection of information the total average annual non-hour cost burden would be \$129 million. We estimated that in the fifth year under the proposed collection of information, the total non-hour cost burden would be \$330.9 million.

In connection with the Interactive Data Adopting Release, we estimate that over the first three years under the new collection of information the total average annual non-hour cost

¹⁷ See Part 8 of this Supporting Statement for a further discussion of the estimate decrease resulting from the change in the detailed tagging requirements.

¹⁸ Asset-backed securities issuers typically are not required to and do not include their financial statements in the forms they file with the Commission. As a result, they would not be required to provide interactive data under the proposed or new rules.

burden will be \$110.6 million. We estimate that in the fifth year under the new collection of information, the total non-hour cost burden will be \$284 million.

The difference between our earlier estimate in connection with the Interactive Data Proposing Release and our current estimate in connection with the Interactive Data Adopting Release regarding non-hour burden primarily is due to eliminating issuers of asset-backed securities that inadvertently were included in the estimate made in connection with the proposed rules.¹⁹

The currently approved collection of information for Voluntary XBRL-Related Documents includes a total average annual non-hour cost burden of \$518,611. We estimate that modifying the voluntary program to eliminate participation by companies that will be required to provide information under the new collection of information will result in a reduced total average annual non-hour cost burden of \$27,000.

14. Estimate of Cost to the Federal Government

The annual cost of reviewing and processing registration statements and periodic reports that directly or indirectly contain in traditional format the financial information the new collection of information will require in interactive data format is estimated to amount to approximately \$86.0 million in fiscal year 2008, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Explanation of Changes in Burden

The change in burden regarding the voluntary program collection of information arises from our expectation of the effect of modifying the voluntary program to eliminate participation by companies that will be required to provide information under the new collection of

¹⁹ See Part 12 of this Supporting Statement for a further discussion of the estimate decrease resulting from the elimination of issuers of asset-backed securities.

information.²⁰ The currently approved collection of information for Voluntary XBRL-Related Documents includes a total average of 340 responses per year and a total average annual internal burden of 4974 hours. We estimate that modifying the voluntary program to eliminate participation by companies that will be required to provide information under the new collection of information will result in a reduced total average of 45 responses per year and a total average annual internal burden of 630 hours. The currently approved collection of information for Voluntary XBRL-Related Documents includes a total average annual non-hour cost burden of \$518,611. We estimate that modifying the voluntary program to eliminate participation by companies that will be required to provide information under the new collection of information will result in a reduced total average annual non-hour cost burden of \$27,000.

16. Information Collections Planned for Statistical Purposes

Not Applicable.

17. Explanation as to Why Expiration Date Will Not Be Displayed

Not Applicable.

18. Exceptions to Certification

Not Applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.

²⁰ The adopted collection of information would be a new collection of information and, as a result, create a new burden rather than change an existing burden.