

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION SUBMISSION
FOR INTERACTIVE DATA

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Securities Act of 1933 (“Securities Act”) and Securities Exchange Act of 1934 (“Exchange Act”), in general, require companies to file financial information with the Securities and Exchange Commission (“Commission”) in registration statements when they publicly offer securities and in reports when they have securities publicly held, respectively. The “Interactive Data” collection of information requires issuers filing these registration statements and reports to submit specified financial information to the Commission in interactive data format using eXtensible Business Reporting Language (XBRL). This collection of information is located primarily in:

- registration statement and report exhibit provisions, which require interactive data; and
- Rule 405 of Regulation S-T (17 CFR 232.405), which specifies how to submit and post interactive data.

The exhibit provisions are in Item 601(b)(101) of Regulation S-K (17 CFR 229.601(b)(101)), Form F-10 under the Securities Act (17 CFR 239.40) and Forms 20-F, 40-F and 6-K under the Exchange Act (17 CFR 249.220f, 17 CFR 249.240f and 17 CFR 249.306).

In interactive data format, financial information could be downloaded into spreadsheets and analyzed in a variety of ways using commercial off-the-shelf software. The specified financial information already is and will continue to be required to be submitted to the Commission in traditional format (i.e., HyperText Markup Language (HTML)) under existing requirements.

2. Purpose and Use of the Information Collection

The purpose of the interactive data requirement is to make financial information easier for investors to analyze and assist issuers in automating regulatory filings and business information processing. The interactive data can be used by investors and others interested in such information.

3. Consideration Given to Information Technology

Responses under the interactive data requirements are submitted to the Commission electronically on its Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system in XBRL format. The public may access submissions on EDGAR through the Commission’s Internet Web site (<https://www.sec.gov/edgar.shtml>).

4. Duplication of Information

Interactive data format financial information already is and will continue to be required to be submitted to the Commission in traditional format under existing requirements. 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 investor analysis of financial information and assists issuers in automating regulatory filings and business information processing.

5. Reducing the Burden 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 imposes some costs on all issuers that submit interactive data, including those that are small entities. Small entities, however, as all other issuers, have a 30-day grace period to make their initial interactive data submission.

6. Consequences of Not Conducting Collection

If the specified financial information were not required in interactive data format, the information would be available through the Commission only in the traditional format. Providing financial information in an interactive data format facilitates investor analysis of financial information. In addition, the use of interactive data format assists issuers in automating regulatory filings and business information processing. If interactive data format information were required less frequently, less information would appear in that format and, as a result, the interactive data requirement would be less likely to facilitate its intended purposes and achieve its expected benefits.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

The Interactive Data collection of information extension request was proposed for public comment. We received one comment on this request from the U.S. jurisdiction of the international nonprofit consortium responsible for developing and maintaining the technical specification for XBRL. In general, the commenter stated that:

- XBRL facilitates the Commission's and others' processing and making decisions on data;
- the cost of XBRL preparation has declined since first required and, citing a study related to smaller public companies, has declined significantly from 2014 to 2017;
- the Commission should encourage filers, prior to filing, to use data quality (i.e., validation) rules a related entity developed that are intended to enable filers to identify and resolve XBRL filing errors of the type present in reported data and, as a result, improve the consistency and quality of filings; and
- data collection burden cost can be minimized by requiring all filers to report in the same consistent standard such as XBRL and, if they use XBRL, then requiring the Inline XBRL format in which data is integrated into HTML.

We acknowledge the commenter's concerns regarding data quality and burden minimization and related recommendation.

The staff provides guidance to improve the quality of XBRL such as interpretations, frequently asked questions and data quality reminders. See <https://www.sec.gov/structureddata/osdstaffobsandguide/>. In addition, on June 28, 2018, the Commission adopted amendments that over time will require filers subject to the Interactive Data collection of information to replace the currently required XBRL format with the Inline XBRL format.¹ The amendments are intended, among other things, to improve data quality. The Commission continues to analyze the data quality of submissions made in XBRL and, voluntarily, Inline XBRL, as well as monitor developments related to the XBRL standard and the Inline XBRL specification. If additional technical rules within the EDGAR environment are deemed necessary, they may be reflected in updates to the EDGAR Filer Manual. We note that filers, vendors, and filing agents are currently able to voluntarily incorporate validation rules into

¹ Inline XBRL Filing of Tagged Data, Release No. 33-10514 (June 28, 2018) [83 FR 40846 (August 16, 2018)] ("Inline XBRL Adopting Release"). The amendments were proposed in Release No. 33-10323 (March 1, 2017) [82 FR 14282 (March 17, 2017)]. These filers are first required to provide Inline XBRL in the second half of 2019 but are now able to do so voluntarily under the amendments. Before they were able to do so voluntarily under the amendments, they were able to do so voluntarily with submissions under the Exchange Act by complying with the conditions of an exemptive order the Commission issued under the Exchange Act. See Order Granting Limited and Conditional Exemption under Section 36(a) of the Securities Exchange Act of 1934 from Compliance with Interactive Data File Exhibit Requirement in Forms 6-K, 8-K, 10-Q, 10-K, 20-F, and 40-F to Facilitate Inline Filing of Tagged Financial Data, Release No. 34-78041 (Jun. 13, 2016) [81 FR 39741 (June 17, 2016)]. The Inline XBRL Adopting Release also includes amendments, effective September 17, 2018, that eliminate the requirement for a filer to post interactive data on its corporate website, if any. A separate Paperwork Reduction Act submission related to these Inline XBRL and website posting amendments will be submitted.

their software and that the Commission makes available various tools to assist XBRL filers. Moreover, filers remain subject to Rule 405(c) of Regulation S-T, which imposes certain fundamental data quality requirements on XBRL submissions.

The same consistent XBRL standard applies to all information submitted under the Interactive Data collection of information. The Commission adopted the Inline XBRL format, in part, to decrease, over time, the cost of preparing such information for submission to the Commission. A filer of information in XBRL under the collection may also file other information in a different machine-readable format such as eXtensible Markup Language (XML). While we acknowledge the benefits of uniform consistent standards across types of information, those benefits must be weighed against the fact that some standards are better suited for some types of information than others.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Interactive Data information is available to the public for review.

11. Sensitive Questions

The information collection does not collect personally identifiable information. A system of records notice and a privacy impact assessment are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

We estimate that in order to comply with the “Interactive Data” collection requirements, approximately 8,601 respondents per year will each submit an average of approximately 4.5 responses per year for an estimated total of 38,705 responses. We further estimate an internal burden of approximately 56 hours per response for an estimated total annual burden of 2,167,480 hours (56 hours per response x 38,705 responses). We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents and retain records. We believe that the actual burdens will likely vary among individual companies based on the size of their organization. For administrative convenience, the paperwork burden hour totals presented have been rounded to the nearest whole number. The estimate of burden hours is made solely for the purpose of the Paperwork Reduction Act. It is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimate that each of the estimated 38,705 responses per year will require approximately \$6,170 in external cost for software and/or filing agent services for an estimated total annual external cost of \$238,809,850 (38,705 responses x \$6,170 per response). Our estimates reflect average burdens, and therefore, some companies may experience costs in excess of our estimates and some companies may experience costs that are lower than our estimates. For administrative convenience, the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

There is no information readily available to estimate the cost to the federal government. We believe, however, that the cost to the federal government, which primarily consists of reviewing relevant filings to make sure the required information is submitted in interactive data format, is no more than \$5,000.

15. Reason for Change in Burden

There was no change in the burden.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to omit the expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

B. STATISTICAL METHODS

Not applicable.