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May 5, 2017

Mr. Brent Fields
Secretary
U.S. Securities & Exchange Commission
100 F Street N.E.
Washington, DC 20549

File Reference No. S7-03-17
Re: SEC Release No. 33-10323, 34-80133, *Inline XBRL Filing of Tagged Data*

Dear Mr. Fields:

Deloitte & Touche LLP is pleased to respond to the request for public comment from the Securities and Exchange Commission (the "SEC" or the "Commission") on the proposed rule *Inline XBRL Filing of Tagged Data* (the "proposed rule").

Overall, we support the objectives of the proposed rule and believe that the use of interactive data has the potential to improve access to and analysis of companies' financial data. We believe that digitizing financial information and making it consumable to all financial statement users is in the public interest. The SEC has shown leadership in adopting new technologies to aid investor analysis and in allowing additional uses of these technologies as they develop. We believe that the transition to inline eXtensible Business Reporting Language (iXBRL) will enable broader tagging of disclosure documents and provide enhanced capabilities to users. We further believe that the use of iXBRL will continue to improve the availability and transparency of information to financial statement users, and thereby, has the potential to increase the usefulness of filings.

We also have some observations and related recommendations that we believe the Commission should consider as it moves to finalize the rule. These observations and recommendations are discussed below.

DATA QUALITY, INCLUDING COMPARABILITY AND CONSISTENCY OF XBRL TAGGING

Financial statement users rely upon quality financial data to arrive at investment decisions. A critical aspect of data quality is the ability of financial statement users to compare accurate company-specific information on a consistent basis to other companies or the market as a whole. When quality, comparability, and consistency are lacking, the value of the data to financial statement users is diminished.

The Release states that the proposed amendments are intended to improve data quality by combining the HTML and XBRL filings. While some improvements may occur with the implementation of iXBRL, we do not believe the suggested changes in the proposed rule alone will significantly affect the quality of the underlying XBRL data or tagging or ensure consistency and comparability. Quality of data is generally not a function of technology — rather it is dependent on strong internal processes and controls. As such, we are inclined to believe that any concerns regarding the quality of the underlying XBRL data, including errors in tagging, will likely continue.[1] Therefore, if one of the goals of the proposal is to improve the quality of the XBRL tagging, the SEC may also want to consider other potential options for encouraging additional improvement in XBRL data. For example, the Commission may want to consider (1) encouraging filers to use available guidance and validation rules issued by the XBRL U.S. Data Quality Committee to help reduce errors in the XBRL-formatted information and (2) whether, at some point in the future, interactive data should be incorporated into officer certifications and/or also contemplated in Item 9a disclosures.

In addition, we stand ready to assist if there is a call for some form of assurance in relation to XBRL. We believe digitized data eventually may be relied-upon by financial statement users in the same way traditional financial statements are today. Therefore, this data should be as reliable as the current financial statements. As interactive data and its use evolves, the Commission should work with financial statement users, companies, the Public Company Accounting Oversight Board (PCAOB), and the auditing profession to ensure that assurance models evolve to meet the needs of financial statement users and to maintain the public's trust in the financial markets.[2] This assurance could come in the form of stand-alone reporting or could come in the form of extending the scope of internal control over financial reporting (ICFR) to include the interactive data that is being accumulated and disclosed. We believe that application of independent assurance procedures to the interactive data would further build broad marketplace trust in the reliability of that information as well as improve the consistency and comparability of the tagged data.

CLARIFYING AUDITOR'S ASSOCIATION WITH THE INTERACTIVE DATA EXHIBIT

We believe it is essential that the auditor's association with iXBRL be clear and understood by financial statement users. If the proposed rule is adopted, iXBRL data tags will be embedded in companies' 10-K and 10-Q filings, and financial statement users may not understand that those data tags are not subject to audit procedures in the same way that the financial statements and other information accompanying the financial statements are today.[3] More specifically, because the financial statements for annual periods that have

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[1] We also note that the proposal does not address what the filer should do upon discovery of a material error in the interactive data tagging. Our understanding is that the SEC's current guidance is that the filer amend the XBRL exhibit. The Commission and its staff may want to consider whether this guidance would be sufficient if the proposed rule is adopted.

[2] Some companies currently, on a voluntary basis, engage auditors to perform agreed-upon procedures related to XBRL under the AICPA's Statements on Standards for Attestation Engagements (SSAEs) and AICPA's Statement of Position 13-2, *Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL Formatted-Information*. If additional assurance beyond agreed-upon procedures is called for, additional interpretative guidance related to examinations or reviews may be helpful, and additional standards regarding audit procedures would be required.

[3] The SEC has explained that auditors are not required to apply PCAOB AS 2710, *Other Information in Documents Containing Audited Financial Statements*; PCAOB AS 4101, *Responsibilities*

embedded XBRL information will be accompanied by the auditor's report(s) on the audit of the financial statements and ICFR (as applicable), some users may believe that the embedded XBRL tags are a component of the financial statements or ICFR or considered part of "other information" that auditors are required to consider in connection with the audit. Thus financial statement users may expect that auditors performed some procedures on the XBRL tags embedded in the financial statements or on the process to create the iXBRL financial statements as part of their audits.

We believe it is important that financial statement users understand the nature of the information they receive, and that the SEC should refine the proposed rule to avoid any unintended expectation gap as to the auditor's involvement with respect to iXBRL. Specifically, we suggest the Commission (1) refine the definition of the "Interactive Data File" to more specifically identify which parts of the inline document are considered the XBRL code, and (2) better clarify the auditor's responsibility (or lack thereof) for iXBRL in a manner that would be easily accessible and viewed by financial statement users. We discuss both of these below.

Refining the Definition of the Interactive Data File

As stated in the Release, "[t]he term Interactive Data File means the machine-readable computer code that presents information in eXtensible Business Reporting Language (XBRL) electronic format pursuant to §232.405 and as specified by the EDGAR Filer Manual. When a filing is submitted using Inline XBRL as provided by §232.405(a)(3), a portion of the Interactive Data File is embedded into a form with the remainder submitted as an exhibit to the form." We believe the Commission should amend the proposed definition to more specifically identify which parts of the filing are considered the XBRL code, so that it is clearer to financial statement users which parts of the filing are subject to audit.

Transparency Regarding the Auditor's Responsibility to Audit the Interactive Data

We recommend the auditor's responsibility (or lack thereof) regarding iXBRL be explicitly stated in the final rule text. This could be achieved by making the following change to the rule text (see underlined and italics for suggested change below, which, if incorporated, would need to be replicated in other parts of the rule):

> (101) Interactive Data File. Where a registrant prepares its financial statements in accordance with either generally accepted accounting principles as used in the United States or International Financial Reporting Standards as issued by the International Accounting Standards Board, an *Unaudited* Interactive Data File is: . . .

We further suggest a required disclosure in registrants' filings that clearly specifies the interactive data is unaudited. For example, this could be added in management's disclosures regarding controls and procedures, the footnotes or in the tagging headers in the SEC's viewer.

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Regarding Filings Under Federal Securities Statutes; or PCAOB AS 4105, *Reviews of Interim Financial Information,* to the interactive data file submitted with a company's reports or registration statements. In addition, the SEC has stated filers are not required to obtain assurance on their interactive data file. (See footnote 181 of the proposed rule).

We appreciate the opportunity to provide our perspectives on the proposed rule. If you have any questions or would like to discuss our views further, please contact Dave Sullivan at ███████████ .

Sincerely,

Deloitte & Touche LLP

cc: Jay Clayton, Chairman
    Michael Piwowar, Commissioner
    Kara Stein, Commissioner
    Shelley Parratt, Acting Director, Division of Corporation Finance
    Wesley Bricker, Chief Accountant