



U.S. Securities and Exchange Commission

SEC Proposes New Way for Investors to Get Financial Information on Companies

**FOR IMMEDIATE RELEASE
2008-85**

Washington, D.C., May 14, 2008 — The Securities and Exchange Commission today voted unanimously to formally propose using new technology to get important information to investors faster, more reliably, and at a lower cost.

At the center of the SEC proposal is "interactive data" — computer "tags" similar in function to bar codes used to identify groceries and shipped packages. The interactive data tags uniquely identify individual items in a company's financial statement so they can be easily searched on the Internet, downloaded into spreadsheets, reorganized in databases, and put to any number of other comparative and analytical uses by investors, analysts, and journalists.

The proposed rule would require all U.S. companies to provide financial information using interactive data beginning next year for the largest companies, and within three years for all public companies.

"This is all about bringing investors better, faster, more meaningful information about the companies they own," said SEC Chairman Christopher Cox. "It would transform financial disclosure from a 1930s form-based system to a truly 21st century model that taps the power of technology for the benefit of investors."

John White, Director of the SEC's Division of Corporation Finance, said, "These steps will represent real progress, both for SEC filers and investors. All of the technology is coming together to make electronic filing a true analytical tool. The staff has gathered valuable experience during the almost three years that public companies have been submitting interactive data in our voluntary filer program. This helps give us a strong foundation for moving forward."



**Chairman Cox
Discusses Interactive
Data:**

[Windows Media Player](#)

(26 MB)

[QuickTime](#) (28 MB)

Conrad Hewitt, the SEC's Chief Accountant, said, "Accounting is the business language of the world, and interactive data will become an easy and reliable technology to improve that language worldwide, just like many other tools available on the Internet. The SEC's Advisory Committee on Improvements to Financial Reporting has been studying the benefits of interactive data and has proposed that the Commission proceed with a mandatory adoption schedule. Over the long term, preparers are expected to benefit through better internal management information and applications, and investors will benefit with improved analytical methods to analyze financial information."

Corey Booth, SEC Chief Information Officer, said, "Interactive data represents the logical next step in the evolution of company disclosure, just as HTML and Internet access were the next logical step a decade ago. And like a decade ago, this move will usher in a quantum leap in helping companies explain their business to investors."

David M. Blaszkowsky, Director of the SEC's Office of Interactive Disclosure, said, "Information — meaningful, accurate, timely, easy-to-use financial reporting — always has been the driver of commerce and markets. This proposal provides the critical regulatory framework by which interactive data will make financial reporting more easily and quickly available, and help transform the relationship between filer and investor."

Since 2005, companies have voluntarily submitted to the SEC financial information in interactive data format. The rules proposed today would require companies to provide this information according to a phase-in schedule.

The SEC's proposed schedule would require companies using U.S. Generally Accepted Accounting Principles with a worldwide public float over \$5 billion (approximately the 500 largest companies) to make financial disclosures using interactive data formatted in eXtensible Business Reporting Language (XBRL) for fiscal periods ending in late 2008. If adopted, the first interactive data provided under the new rules would be made public in early 2009. The remaining companies using U.S. GAAP would provide this disclosure over the following two years. Companies using International Financial Reporting Standards as issued by the International Accounting Standards Board would provide this disclosure for fiscal periods ending in late 2010. The disclosure would be provided as additional exhibits to annual and quarterly reports and registration statements. Companies also would be required to post this information on their websites.

The required tagged disclosures would include companies' primary financial statements, notes, and financial statement schedules. Initially, companies would tag notes and schedules as blocks of text, and a year later, they would provide tags for the details within the notes and schedules.

Companies filing under the proposed rule that use U.S. GAAP will use upgraded data tags issued April 28, 2008, by XBRL US, Inc. that were developed based on U.S. GAAP and on the review of hundreds of actual SEC

filings. The SEC's EDGAR system will accept test filings using a February 11 version of these tags later this month, with the final April 28 version of the tags becoming usable in June. In addition, an interim system is expected to be announced shortly that will enable companies immediately to provide interactive data submissions to the SEC using the April 28 version of the tags.

The SEC has had an interactive data pilot program for three years, beginning in 2005. It covered the financial statements of corporate filers. In addition, the SEC began an interactive data filing program for mutual fund risk return information in August 2007. Also last year, the SEC created an online database tagging executive compensation data for 500 large companies. Filers seeking a head start on data tagging are invited to formally join these SEC voluntary filing programs or informally practice with the new data tags.

More information is available at <http://www.sec.gov/spotlight/xbrl.shtml>.

Public comment on the proposed rule should be received by the Commission no later than 60 days after its publication in the *Federal Register*.

* * *

The full text of the rule proposal will be posted to the SEC Web site as soon as possible.

<http://www.sec.gov/news/press/2008/2008-85.htm>