



March 29, 2011

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**RE: Release No. 33-9002 Interactive Data to Improve Financial Reporting**

Dear Jim and Meredith:

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants (AICPA).

The CAQ continues to support the objectives of interactive data reporting to increase the usability and efficiency in use of financial disclosure. However, the CAQ has a concern related to the phase-in reporting requirements of the Securities and Exchange Commission's (SEC) Release No. 33-9002 *Interactive Data to Improve Financial Reporting* (the Release) for certain foreign private issuers (FPI's). Item 601(b)(101) of Regulation S-K (§229.601(b)(101)), and Item 101 of the Instructions as to Exhibits of Form 20-F (§249.220f) require certain FPI's that prepare their financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), be subject to the interactive data reporting requirements for fiscal periods ending on or after June 15, 2011.

Rule 405 of Regulation S-T (232.405(a)(3)) indicates, in part, that interactive data must be submitted in accordance with the EDGAR Filer Manual. Section 6.3.9 of Volume II of the EDGAR Filer Manual requires the use of one of the taxonomies specified on the SEC's website. Also, page thirty-two of the Release indicates the SEC would notify filers (via the SEC website) of their ability to submit interactive data for financial statements prepared in accordance with IFRSs as issued by the IASB. Prior to this time, such FPI's are unable to submit financial information in an interactive data format. No IFRS/IASB taxonomy has been specified by the SEC to date. The CAQ understands concerns have been raised that IFRS Taxonomy 2011 may require further development to make it more useful to investors. We concur with this view and believe the Commission should not specify a taxonomy until the issues discussed below are addressed. Also, we request the staff to concur that, unless and until the Commission specifies an IFRS taxonomy, FPI's reporting under IFRS as issued by the IASB are not required to submit and post interactive data.

We acknowledge the IFRS Foundation's efforts to further develop its IFRS taxonomy and the improvements that have been made to date; however, it is our understanding that users of the IFRS Taxonomy 2011 still may need to create numerous extensions for their interactive data exhibits, which may limit the usefulness of such interactive data to users of financial statements. Such extensions may be needed because IFRS Taxonomy 2011 does not yet fully address common reporting practice or industry specific disclosures and does not include standard definitions. In addition, absent significant development of the IFRS taxonomy for footnote disclosures, the need to create a significant number of extensions may continue in year two of the phase-in period, when detailed tagging is required. Until these issues are addressed in future taxonomy enhancements, we believe the benefits achieved by requiring certain FPI's to submit interactive data based on IFRS Taxonomy 2011 may not outweigh the cost and effort to be expended and that additional time is necessary to further develop the IFRS taxonomy.

Should the Commission decide to specify the IFRS taxonomy for immediate use, we are concerned that the late date of approval will not provide companies with sufficient time to prepare interactive data exhibits for financial statements for fiscal periods ending on or after June 15, 2011. Accordingly, should the Commission specify the IFRS Taxonomy, we recommend a one year deferral of the effective date, such that the earliest required use of interactive data submissions for FPI's reporting under IFRS as issued by the IASB would be for fiscal periods ending on or after June 30, 2012. We believe this will provide the time necessary to further develop the IFRS taxonomy, allow companies adequate time to implement the requirement and ultimately provide investors with more useful information.

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The CAQ would welcome the opportunity to respond to any questions you may have regarding this letter.

Sincerely,



Cynthia M. Fornelli  
Executive Director  
Center for Audit Quality

cc:

SEC

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