



Recently, Corp Fin posted this [sample comment letter](#) on XBRL disclosures in an effort to make companies more aware of a focus on improving the quality of XBRL data. As a preface to the sample comment letter, Corp Fin notes there is evidence that investors are using XBRL and Inline XBRL - and that the Financial Data Transparency Act enacted at the end of last year caused the SEC to establish a program to improve the quality of financial disclosures.

The sample comment letter lists the six examples of XBRL comments below – but the Staff notes this isn't an exhaustive list. Notably, two of these comments relate to Pay versus Performance. This is a good reminder for companies to focus on the overall trend of new SEC disclosure rules including inline XBRL requirements – and make sure they are incorporating controls related to compliance with these requirements as they implement the new requirements.

The six sample comments are:

## **Item 405 of Regulation S-T**

1. Your filing does not include the required Inline XBRL presentation in accordance with Item 405 of Regulation S-T. Please file an amendment to the filing to include the required Inline XBRL presentation.

## **Cover Page**

2. The common shares outstanding reported on the cover page and on your balance sheet are tagged with materially different values. It appears that you present the same data using different scales (presenting the whole amount in one instance and the same amount in thousands in the second). Please confirm that you will present the information consistently in future filings.

## **Pay versus Performance**

3. Disclosure under Regulation S-K Item 402(v) must be in Inline XBRL, in accordance with Item 405 of Regulation S-T and the EDGAR Filer Manual. Please ensure that you have provided the appropriate Inline XBRL tagging for all the required Item 402(v) data points.
4. Refer to the [relationship disclosures] graph. Although it is permissible to combine one or more sets of relationship disclosures under Regulation S-K Item 402(v)(5) into one graph, table, or other format, note that you must still provide separate XBRL tags for each required item. Please ensure that you have provided the appropriate Inline XBRL tagging for all the required Item 402(v) data points.

## **Financial Statements and Supplementary Data**

5. You have used different XBRL elements to tag the same reported line item on the income statement from period to period. Please provide us your analysis as to how you concluded that the results reported necessitated the change in the element. Alternatively, if you conclude that the change from period to period was not necessary to communicate a change in the nature of the line item, confirm that you will ensure that your choice remains consistent for line items from period to period.
6. We note that instead of using an XBRL element consistent with current U.S. GAAP in your income statement, you instead used a custom tag. Custom tags are to be used by filers when an appropriate tag does not exist in the standard taxonomy. See Item 405(c)(1)(iii)(B) of Regulation S-T. Please tell us why the current U.S. GAAP tag is not applicable, or alternatively revise your disclosure, beginning with your next filing, to correctly tag this disclosure.

## **Explore more in**

[Corporate Law](#)  
Blog series

## **Public Chatter**

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

[View the blog](#)