June 15, 2017

Susan M. Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856

File Reference No. 2017-230

Dear Ms. Cosper:

Workiva is pleased to respond to the Invitation to Comment ("ITC") to aid the Financial Accounting Standards Board (the “FASB”) in its assessment of the efficiency and effectiveness of the GAAP Financial Reporting Taxonomy (the "Taxonomy").

To achieve the optimal efficiency and effectiveness of the Taxonomy, we believe that there needs to be a comprehensive, holistic review of the Taxonomy and the reporting requirements under US GAAP for public companies ("GAAP"). Our comments are based on our belief that this review – along with changes to the Taxonomy as a result of changes to the FASB Accounting Standards Codification® (the "Codification") – should be the highest priority of the FASB Taxonomy staff.

Our research and analysis, as well as our formal and informal discussions, have found that the primary concerns of registrants and data users –which are substantially consistent with those reported on page 7 of the ITC –are inextricably interwoven because they all stem from the same root cause. The root cause of these concerns can be defined in one simple statement: the Taxonomy and the guidelines established by the SEC Interactive Data Rules (the "SEC Guidelines") currently allow the same type of information for similar events or transactions (in general or by industry) to be tagged inconsistently across companies.

However, GAAP requires companies to report the same type of information for similar events or transactions in general or by industry. For that information to have utility in a machine-readable format, it must be explicitly linked to the GAAP reporting requirements1. Consistency of XBRL data can only be achieved if the same elements and modeling techniques are used for the same reporting requirements from period to period and across companies. Otherwise, comparability is obscured when using an automated process to ingest the data if different elements or modeling techniques are used for the same reporting

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1 The reporting requirements are generally found in the sections "Other Presentation Matters" and "Disclosures" for each topic in the Codification.
requirements because it is difficult, and in some cases impossible, to identify those items that are the same and those that are different.

We have found widespread agreement among data consumers that inconsistent tagging of the same type of information for similar events or transactions makes the automated ingestion of XBRL data difficult and, in some cases, impossible – thus making the use of the data suboptimal. Addressing such inconsistent tagging would not only improve data quality and usability, but it would also simplify the tagging process. Moreover, such inconsistent tagging can be eliminated with the right focus and sense of urgency.

To adequately address and eliminate inconsistent tagging of XBRL data, we recommend that the following changes be made to the Taxonomy and the SEC Guidelines:

**Taxonomy**

- The standard elements should be based **solely** on the reporting requirements under GAAP\(^2\) and certain disclosures that, although not required, are widely recognized and commonly used.
- Each reporting requirement should be represented by a standard element.
- Each element in the Taxonomy should represent a discrete reporting requirement or a widely recognized, commonly used disclosure practice. In other words, a standard element should represent only one meaning for reporting purposes. For example, interest expense represents the cost of borrowing funds, but has different meanings for reporting by different industries. For a commercial entity it is a financing expense, but for a financial services entity, it has a different meaning (i.e., an offset to interest income to report net interest income). In this example, there should be two standard elements to represent the two different meanings.

\(^2\) The reporting requirements call for quantitative and qualitative information. Quantitative reporting requirements include:

1. Generic items where the nature is the same for all companies (e.g., cash and cash equivalents, discount rate for pension liabilities, etc.), and there should be only one standard element for each such requirement.
2. Entity specific items where the nature of the items (e.g., depreciable assets, common shares, debt instruments, revenue) is the same but the entity specific items (e.g., major classes of depreciable assets, major classes of common shares, types of debt instruments, revenue by product or service lines, etc.) can vary across companies. For some entity specific items, there are standard elements and, for others, companies need to create an extension.
3. Explicit or implicit options on what is disclosed. For example, items that can be reported as either a numeric value or percentage. For these reporting requirements, there should be standard elements for both options.

The narrative expression of qualitative reporting requirements will vary and, in some cases, include numeric values. There should be standard elements for the qualitative reporting requirements that enable the discovery of this descriptive information. (We have preliminarily concluded that numeric values generally do not need to tagged if such values merely provide, generally optional, descriptive information to comply with qualitative reporting requirements e.g., number of reportable or operating segments.) In addition, companies may provide additional information, beyond what is required, to supplement a reporting requirement. Unless the information is a widely-recognized, common disclosure for which there is a standard element, an extension should be used for the additional information and linked to a standard element.
• Widely-recognized, common disclosures should include non-GAAP disclosures that comply with applicable SEC interpretations and, otherwise, should be:
  ° consistent with the reporting requirements under GAAP.
  ° provide additional relevant information for users of the financial data beyond that which is required by U.S. GAAP for public companies.
• Axes and, if practicable, members and other modeling should be standardized and, where applicable, simplified for GAAP reporting requirements.

SEC Guidelines
• The GAAP reporting requirements and widely-recognized, common disclosures should be the sole basis for element selection.
• The use of standardized modeling should be prescribed.
• Extensions should be prescriptively limited and required to be linked to the applicable standard element.
• The consideration of materiality when selecting elements should be the same as the consideration applied when preparing the HTML financial statements.
• The requirement to tag individual amounts reported on a line item in the HTML financial statements with the same element should be rescinded.

If these changes are not made, the consistency of financial information required by GAAP for similar events or transactions (in general or by industry) will continue to be obscured when tagged using XBRL. Consequently, a significant amount of XBRL data ingested in an automated process will continue to be either indecipherable, potentially interpreted incorrectly, or too costly to ingest using an automated process.

In order to make the recommended changes, there should be a comprehensive, holistic review of the GAAP reporting requirements and the Taxonomy to:
• verify the propriety of the references to the reporting requirements reflected in the standards elements.
• verify whether all discrete reporting requirements are referenced by a standard element.
• ensure that there is a complete calculation relationship for quantitative reporting requirements.
• identify:
  ◦ modeling inconsistencies or standard elements that provide multiple ways to tag the facts.
  ◦ those specific situations where extensions are necessary.
  ◦ widely recognized, common disclosures, including appropriate non-GAAP metrics.
• standardize and simplify, where possible, modeling for disclosure requirements.
• determine the appropriate technical mechanism to link extensions.
• revise existing implementation resources, if necessary, and develop new implementation resources, where necessary.
• develop enhanced general guidance on those types of numeric values that do not need to be tagged.
• identify necessary revisions, if any, to the designs and guidelines established by the SEC Interactive Data Reporting Rules.

(It seems logical to us that the FASB would have the right, if not the obligation, to ensure that the Taxonomy and all related SEC and FASB guidance are, when considered as a whole, an accurate, complete and unambiguous reflection of GAAP.)

We are undertaking this review of the Taxonomy and the GAAP reporting requirements. We would be pleased to share our methodology and our findings and conclusions as we complete our review of each Codification topic and the related portion of the Taxonomy.

Our responses to the specific questions in the ITC follow:

Question 1: Should dimensions be used in tagging the primary financial statements?
We have not completed our review of the Taxonomy and GAAP reporting requirements and, therefore, it is not possible to provide a definitive answer. That said, we believe that regardless of where information is located in the HTML financial statements, it should always be tagged using the same modeling.

Question 2: Should dimensions be primarily used for disaggregation, with a limited set of known exceptions?
As stated above, we believe that modeling should be standardized and such standardization should be based on a comprehensive, holistic review of the Taxonomy and the GAAP reporting requirements.

Question 3: Would the completion of the reference project increase the efficiency and effectiveness of the GAAP Taxonomy? Given the existing resources, should the completion of the reference project be a high priority?
The reference project should be part of a comprehensive holistic review of Taxonomy and GAAP reporting requirements. That review and changes to the Taxonomy as a result of changes to the FASB Accounting Standards Codification® should be the highest priorities.

Question 4: Are there other methods to simplify element selection that you would suggest? How would those methods improve the usability of the GAAP Taxonomy?
If financial reporting experts are provided with the capability to produce XBRL documents using their expertise in financial reporting and knowledge of GAAP and widely-recognized common disclosure practices, then element selection will be simplified to the fullest extent currently possible.
Question 5: What types of implementation resources supporting registrant use of the GAAP Taxonomy are most efficient and effective? How would you prioritize registrant need for the types of implementation resources listed in paragraphs 1.54 and 1.55 (as well as any others that you think should be considered)?
The need for these resources has been driven by the complexity of the Taxonomy and the need for financial reporting experts to understand a foreign language. If our recommended changes are made, there will be a substantial reduction in the demand or need for these resources. Any decisions regarding implementation resources should be made in connection with the recommended review of the Taxonomy and the GAAP reporting requirements and widely-recognized, common disclosure practices.

Question 6: Questions 1–5 seek comments on specific areas described in Review Area 1. Do you have other suggestions that would improve the efficiency and effectiveness of the GAAP Taxonomy?
We have no other suggestions.

Question 7: Does issuing proposed changes to the GAAP Taxonomy concurrent with the FASB’s proposed and final ASUs lessen the timing issues between a registrant’s adoption of GAAP updates and consequential changes to the GAAP Taxonomy?
Yes. Proposed changes to the GAAP Taxonomy should be an integral part of the standards setting process for proposed and final ASUs.

Question 8: Should the FASB Taxonomy staff replace the current annual 60-day comment period for the proposed Taxonomy Update with an exposure process that corresponds with the required adoption of GAAP improvements?
Yes. Proposed changes to the GAAP Taxonomy should be an integral part of the standards setting process for proposed and final ASUs.

Question 9: Do you have other suggestions related to the GAAP Taxonomy process that would improve the efficiency and effectiveness of the GAAP Taxonomy?
Assuming that our recommended changes are made, any further changes to the Taxonomy should only be made as a result of changes to the Codification and, in rare cases, to add standard elements for widely-recognized, common disclosures.

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We appreciate the opportunity to comment on the proposed rule. If you have any questions or would like to discuss our views further, please contact me at mike.starr@workiva.com.

Sincerely,

J.W. Mike Starr
Vice-President, Governmental and Regulatory Affairs
Workiva Inc.

cc: Campbell Pryde, CEO, XBRL US, Inc.
    Mike Willis, Assistant Director, Office of Structured Disclosure, Division of Economics and Risk Analysis, U. S. Securities and Exchange Commission