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H.R. 5405 Needs a Closer Look says Data Transparency Coalition

Provisions Would Set Back Financial Accountability and Transparency

Washington, D.C. -The Data Transparency Coalition (DTC) today urged the House of Representatives to postpone the vote on [H.R. 5405, the Promoting Job Creation and Reducing Small Business Burdens Act](#), which is scheduled for this evening. Certain provisions in the bill would be detrimental to the push for more accountability and transparency in financial reporting.

DTC Executive Director, Hudson Hollister, released the following statement.

“We strongly urge the House to take a closer look at H.R. 5405 before voting on it. Each and every provision should be examined because, as they say, the devil is in the details.

We believe the bill is well intentioned but there are several provisions that will set back financial transparency and corporate accountability, including the exempting of nearly 60 percent of public companies from filing data-based reports with the Securities and Exchange Commission (SEC).

The SEC has just recently started enforcing the accuracy of the eXtensible Business Reporting Language (XBRL) data format for corporate financial information, yet the exemptions in H.R. 5405 would dramatically restrict the availability of this searchable corporate financial data to investors--and to the tech companies building investment tools.

By encouraging, instead of discouraging, the move toward data-based financial reporting, the House would achieve its goal of reducing the burden on all businesses. More paper-based forms and longer response time will be a result of the passage of H.R.5405 - exactly the opposite of the bill's intention.”

The Data Transparency Coalition, [and its members](#), have been [advocating](#) for the further adoption of structured data throughout the SEC's disclosure system. Accurate structured data, utilizing XBRL and other standards, would help investors make better decisions, allow the agency to use analytics to find accounting fraud, and provide an opportunity for public companies to automate compliance tasks.

This would result in a drop in analysts' coverage costs drop, enabling them to cover more companies - meaning smaller companies get more attention from investors.

A few days ago, Mr. Hollister published a [blog detailing the ramifications of H.R. 5405 on data transparency](#).

About the Data Transparency Coalition

The Data Transparency Coalition advocates on behalf of the private sector and the public interest for the publication of government information as standardized, machine-readable data. Members include market leaders such as Teradata Corporation, Workiva, RR Donnelley, and PwC, and smaller start-ups such as Level One Technologies and BrightScope. For more information, visit <http://datacoalition.org/>.