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**For immediate release**

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## **Press Release**

### **Fintech Leaders: Time to Modernize Financial Reporting**

*Letter to House Financial Services Committee Cites Need for Data Standards*

**Washington, DC** -- The Data Coalition and seven other financial and technology organizations today sent a [letter](#) to the Financial Services Committee of the U.S. House of Representatives requesting that the committee convene a hearing on the need for regulatory agencies to modernize the way they collect information from public companies, banks, markets, and financial firms.

Together, the signatories represent over two thousand technology and Fintech companies.

U.S. financial regulators use a wide range of incompatible data formats to collect information from regulated entities. The lack of data standards imposes unnecessary compliance costs, impedes markets' ability to absorb information, and hinders regulators' use of analytical tools.

Even where regulators have started to adopt open, standardized data formats, their progress has been uneven. For example, the Securities and Exchange Commission collects corporate financial statements using the XBRL open data format, but requires companies to file most of the rest of their information as unstructured, non-searchable text. "Small public reporting companies are frustrated with the burden, expense and regulatory risk of providing SEC disclosure in two formats. To make XBRL useful, the SEC must move forward with more cost effective solutions that streamline the reporting process, improve data quality and make being public less painful," said Cromwell Coulson, Chief Executive Officer and President of OTC Markets Group, a provider of public trading markets for thousands of SEC reporting companies.

Today's letter commends members of the Financial Services Committee for introducing and cosponsoring bills aimed at modernizing financial reporting. But the committee has yet to fully explore the issue through expert testimony.

"By replacing disconnected documents and disparate databases with open data, regulators can make reporting cheaper and more transparent without amending its substance," said Hudson

Hollister, Executive Director of the Data Coalition. For example, because Australian regulators adopted a single data dictionary for all the information they collect, as part of the Standard Business Reporting program, Australian companies are saving over \$1 billion annually in compliance costs, even before the system is mandatory. U.S. regulators should do the same, and the 115th Congress can lead the way.”

“The financial technology industry is ready to reduce compliance costs through automation, deliver actionable information to markets, and provide powerful analytical services to the regulators, but these innovations will only become possible if the regulators embrace standardized data formats for the information they collect,” said David Logsdon, Senior Director of Public Advocacy at CompTIA. “We welcome the Financial Services Committee’s leadership on modernizing financial regulatory reporting and we look forward to breakthroughs in coming legislative sessions.”

Signatories include:

**Center for Data Innovation**  
**CompTIA**  
**Data Coalition**  
**Information Technology & Innovation Foundation**  
**LexisNexis Risk Solutions**  
**Morningstar**  
**OTC Markets**  
**Software & Information Industry Association**

The letter is available here:

<http://www.datacoalition.org/wp-content/uploads/2016/11/FinServ-Industry-Letter-for-distribution-11.18.2016.pdf>

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#### **About the Data Coalition**

The Data Coalition advocates on behalf of the private sector and the public interest for the publication of government information as standardized, open data. Open data enhances accountability, improves government management, reduces compliance costs, and stimulates innovation. Representing a cross-section of the technology industry and implementers, the Coalition’s membership includes market leaders such as Workiva, Donnelley Financial Solutions, Booz Allen Hamilton, and CGI Federal and growing start-ups such as idaciti and cBEYONData. For more information, visit [datacoalition.org](http://datacoalition.org).