

SEC FILING REMINDER: CONFIRM DATA TAGGING IN YOUR 10-K

PRESERVE YOUR COMPANY'S SEC ELIGIBILITY

Feb 06, 2025

WHAT'S THE CONCERN

Although not new, eligibility to use Forms S-3 and S-8 and Rule 144 depend on compliance with SEC electronic filing rules. In addition to more familiar requirements:

- To use Form S-3 or Form S-8, companies must have filed all interactive data files (XBRL information) required to have been filed during the past 12 months.
- For an insider to sell shares using Rule 144, the public company must have complied with "current public information" requirements, including having filed any XBRL information required to have been filed during the past 12 months before the sale.

As noted in prior posts, XBRL data tagging is required for recently added disclosure requirements for Form 10-Ks, including:

- [Cybersecurity disclosures](#) (beginning one year after initial compliance).
- [Insider trading policies and procedures](#).
- [Option grant policy disclosures](#).
- [Compensation recovery disclosures](#).
- [Pay versus performance disclosures](#).

These supplement existing requirements for tagging the cover page, financial statements, auditor information, notes and schedules, and other sections of Form 10-Ks.

TAKEAWAYS

Companies should work with their filing agents and advisors to ensure that their filings comply with tagging requirements. According to [CDI 162.01](#), disclosure controls and procedures should encompass interactive data – although CEO and CFO certifications do not need to consider controls and procedures relating to XBRL data.

If any deficiencies are identified after filing a periodic report, the deficiency can be remedied with a corrective amendment to the report.

The SEC staff published a [sample comment letter](#) in 2023 addressing common errors in data tagging. The staff also released [Interactive Data CDIs](#) that address various topics, including, among others:

- **Identifying exhibits filed in XBRL.** [CDI 101.01](#) explains how to label and submit interactive data files in the exhibit index, including the cover page.
- **Tagging on Cover Page.** [CDI 101.05](#) explains tagging requirements for the cover page, including when the name on the cover page differs from the name conformed for Edgar.
- **Hyperlinking exhibits filed in XBRL.** [CDI 101.10](#) and [CDI 146.18](#) clarify that exhibits filed in Inline XBRL must be hyperlinked in an exhibit index, unlike those filed in XBRL only. This is because XBRL-only exhibits are filed in unconverted code, whereas Inline XBRL is not.
- **Block tagging for financials.** [CDI 146.15](#) addresses requirements for block tagging significant accounting policies within financial statements, notes and schedules.
- **Detailed tagging of amounts in financials.** [CDI 146.15](#) and [CDIs 130.04, 130.05 and 130.06](#).

[CDI 130.05](#) discuss requirements for separate tagging of “[e]ach amount (i.e., monetary value, percentage, and number)” within each footnote and financial statement schedule under Rules 405(d)(4)(i) and 405(e)(2)(i), respectively, of Regulation S-T.”

RELATED PRACTICE AREAS

- Securities & Corporate Governance

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