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Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: XBRL Filing of Tagged Data

Ladies and Gentlemen:

Morningstar, Inc. appreciates the opportunity to comment on the SEC's proposed rule "XBRL Filing of Tagged Data."

Morningstar is committed to advancing the interests of investors. In particular, we have a long history of fighting for transparency in opaque areas of the capital markets. Part of the way we serve investors is by tracking and aggregating data on thousands of publicly traded companies as well as thousands of mutual funds and organizing and presenting this data to our clients. As a data aggregator, we believe we have an important perspective on some of the specific questions in the proposed rule.

Should operating companies be required to submit financial statement information using Inline XBRL, as proposed? Why or why not?

Yes, operating companies should be required to submit financial statement information using Inline XBRL. Inline XBRL will resolve two major challenges that we have had extracting and analyzing XBRL data and making it available to investors. First, Inline XBRL can be read by human analysts, ensuring the data is more transparent. In contrast, with traditional XBRL, it is very difficult for a human to read and know at a glance what a company has reported on its financial statements. Analysts must parse traditional XBRL files using software that in turn converts the filings into a human-readable form. Inline XBRL embeds the XBRL tag within a human-readable document, providing context and enhancing transparency.

Second, the increased transparency that Inline XBRL provides will also improve data auditability and, hence, data quality. We have encountered multiple issues historically with XBRL data quality, particularly cases in which XBRL and HTML filings conflict with each other. (This is a problem the SEC staff noted in the discussion of the proposed rule.) In such a scenario, the HTML becomes the benchmark because it is information that we can interpret and understand. Inline XBRL, on the other hand, will embed the XBRL tag within the HTML document, and this will greatly improve our analysts' capacities to identify any discrepancies between the XBRL tag and the HTML document quickly and efficiently, helping us to quickly provide higher-quality data to investors.

Should mutual funds be required to submit risk/return summary information using Inline XBRL, as proposed? Why or why not? In this regard, do mutual funds present different issues and considerations from operating companies? If so, how?

Yes. Currently, we use the HTML filings rather than the XBRL filings because we can process them and share the information with end investors more quickly than if we were to wait for the XBRL filing. The changes the SEC has proposed with regard to the risk/return summaries on form N-1A would allow us to proccess and share information more quickly with end investors. Similarly, we support the SEC's proposal with regard to filings under Rule 485 and 497.

Finally, we would support future expansion of Inline XBRL beyond items 2, 3, and 4 of Form N-1A to sections such as items 5 and 6.

Is the Inline XBRL technology sufficiently developed to require its use in Commission filings?

Yes. Morningstar is already using XBRL documents for Japan and Taiwan. Japan has already fully transitioned to Inline XBRL. In our experience, it will be a relatively seamless transition from XBRL to Inline XBRL because the technology is sufficiently developed.

Should any category of filers that is presently subject to financial statement information XBRL requirements, such as SRCs or EGCs, be exempt from the Inline XBRL requirements? Why or why not?

We do not support such an elimination or reduction. The current filing requirement—that all companies report in an XBRL format—will ultimately advance investors' interests by providing them with a greater level of information about smaller companies in less time. The smaller-company portion of the market is where it is most difficult to obtain high-quality information, so exempting small- and midsize firms from the XBRL filing requirement will harm investors' interests and decrease capital-market transparency. In fact, it can take us up to five days to process HTML filings from smaller companies and display this data for our clients, whereas aggregating XBRL data is nearly instantaneous as long as the data is high-quality. Removing the XBRL requirement will also put the United States out of step with developments in other important global markets, where XBRL reporting has increasingly become mandatory.

In general, our experience as a global data provider tells us that research is an important component of a robust capital market. It not only assists investors but also helps drive the confidence and liquidity that enables smaller businesses to raise capital in those markets. We have seen exchanges in multiple countries engage in various initiatives aimed at increasing the research activity around smaller companies. At the core of any research is high-quality, timely, and affordable data. Requiring Inline XBRL is an important step in enhancing XBRL quality.

Sincerely yours,

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