BLOG

Large Accelerated Filers Must Tag Fee Exhibits in XBRL Starting July 31, 2024

JULY 2, 2024

OVERVIEW

On October 31, 2021, the Securities and Exchange Commission (SEC) adopted <u>final rules</u> modifying the requirements applicable to filing fee disclosure and payment methods for several fee-bearing forms, schedules, statements and related rules. These rules were intended to modernize filing fee disclosures and enhance the efficiency of the fee process. Most of the requirements under the new rules became effective on January 31, 2022.

The SEC provided for a longer transition period for the rules relating to Inline eXtensible Business Reporting Language (Inline XBRL) tagging.

TIMING AND GRACE PERIOD

The updated Inline XBRL requirements will go into effect on July 31, 2024 for large accelerated filers.

Accelerated filers, certain investment companies that file registration statements on Forms N-2 and N-14 and all other filers will have until July 31, 2025 to comply.

IMPACTED FORMS, SCHEDULES AND STATEMENTS

As detailed below, the Inline XBRL requirements will apply to filing fee exhibits for registration statements like Forms S-1, S-3, S-4 and S-8 as well as certain other disclosure documents, such as proxy statements reporting transactions and Schedule TOs that are used for tender offer disclosures:

FILED UNDER	IMPACTED FILINGS
Securities Act of 1933	Forms S-1, S-3, S-8, S-11, N-14, S-4, F-1, F-3, F-4, F-10, SF-1, and SF-3

Securities Exchange Act of 1934	Schedules 13E-3, 13E-4F, 14A, 14C, TO, and 14D-1F
Investment Company Act of 1940	Forms 24F-2 and N-2

ADDING INLINE XBRL TAGGING TO FEE EXHIBITS

Inline XBRL tagging involves adding standardized classifications to issuers' financial data to make it easier for computers to read, compare, and use the data.

As with other transitions to Inline XBRL tagging, we recommend issuers communicate with whomever handles their Inline XBRL tagging a few weeks prior to any impacted fee exhibit filing to ensure minimal lag time between when the filing fee is calculable, when the exhibit may be tagged, and when the impacted filing must be made.

While most filers may already be familiar with Inline XBRL requirements, the SEC has rolled out a Fee Exhibit Preparation Tool (FEPT), which is available on the EDGARLink Online interface under the "Documents" tab. Shortly after the voluntary compliance period began earlier this year, the SEC provided "How do I" guidance on how to prepare and submit Inline XBRL filing fee exhibits. In addition, the SEC recently announced that "filers may consult updated information from SEC staff regarding technical and structured data aspects of the Filing Fee Disclosure and Payment Methods Modernization rule on the EDGAR Filing Fees webpage."

FEPT provides prompts, explanations, and calculations to aid in producing an exhibit that is in a submission-ready format. Filers who utilize FEPT will receive error and warning messages if anything is incorrect **before** they submit both test and live filings. However, if filers construct their filing fee exhibits outside of FEPT, they will not have access to these features and will be provided with error and warning messages only **after** the filer has submitted both test and live filings.

Per the SEC, EDGAR will validate the Inline XBRL fee data submission and generally will issue warnings for any incorrect or incomplete fee information until approximately November 1, 2025, at which time it will begin to suspend filings instead of just issuing warnings.

To assist with FEPT, the SEC Staff published step-by-step guidance in the EDGAR Filing Fee Interface Courtesy Guide and the related EDGAR XBRL Guide (Filing Fee Extract).

Please contact a member of the Winston & Strawn Capital Markets Practice, Employee Benefits and Executive Compensation Practice or your Winston relationship attorney for further information.

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Related Topics

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XBRL Tagging

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