The Financial Data Transparency Act, A Potential Burden & Technological Upgrade for Public Finance if it Becomes Law

Tom Kozlik

- It is very likely the Financial Data Transparency (FDT) Act will be included in the Federal Defense Authorization for FY23. If so, there could be a direct impact on Municipal Securities Rulemaking Board requirements and public finance disclosure.
- For the most part U.S. regulators currently collect and share data and information from their regulated units using hard-copy, pdf, or plain-text html formatted documents or files. There is no federal governmental-wide standardization or structure of data.
- It is possible that after the FDT Act is passed that all U.S regulators will be required to mandate data and document collection in what is known as the eXtensible Business Reporting Language or (XBRL) format. The Securities and Exchange Commission currently requires XBRL.
- The Government Finance Officers Association (GFOA) took a strong stance against the FDT Act in a new member alert.
- We believe the Financial Data Transparency Act will generally pose a financial and managerial burden for the public finance community, but will also provide a modern upgrade on the data side where public finance disclosure is concerned.

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