

MEMO# 21318

June 29, 2007

SEC Establishes Financial Reporting Advisory Committee

[21318]

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TO: SEC RULES MEMBERS No. 73-07

SMALL FUNDS MEMBERS No. 46-07

COMPLIANCE MEMBERS No. 29-07

EQUITY MARKETS ADVISORY COMMITTEE No. 36-07 RE: SEC ESTABLISHES FINANCIAL REPORTING ADVISORY COMMITTEE

On June 27, the Securities and Exchange Commission announced the establishment of the Advisory Committee on Improvements to Financial Reporting. According to its charter, the Committee will examine the U.S. financial reporting system with the goals of reducing unnecessary complexity and making information more useful to investors. [\[1\]](#)

Consisting of not more than 18 members, from various affected interest groups, the Committee will be chaired by Robert Pozen, Chairman of MFS Investment Management. It will function solely as an advisory body, providing advice and recommendations to the Commission. Specifically, the Committee will consider the current approach to setting financial accounting and reporting standards, the current process of regulating compliance by registrants and financial professionals, the current system for delivering financial information to investors, and the value and costs of current accounting and reporting standards, among other areas of inquiry.

The initial termination date of the Committee is August 2008, at which time it is expected the Committee will make recommendations to the Commission. The recommendations will include, "how to make financial reports clearer and more beneficial to investors, reduce costs and unnecessary burdens for preparers, and better utilize advances in technology to enhance all aspects of financial reporting." [\[2\]](#)

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endnotes

[1] The charter can be viewed at <http://www.sec.gov/rules/other/2007/33-8817charter.pdf>.

[2] See SEC press release at <http://www.sec.gov/news/press/2007/2007-123.htm>.

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