

## NEWS RELEASE

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# ICI Supports FASB's Proposal to Expense Stock Options, June 2004

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## Stevens says improving transparency will benefit individual investors

Washington, DC, June 30, 2004 - The Investment Company Institute today endorsed the Financial Accounting Standards Board proposal to require the expensing of stock options. In its [comment letter](#), the Institute stated that "mutual funds believe it is imperative that the accounting principles that govern corporate financial statements ensure full and fair disclosure of earnings, cash flows, and financial condition."

ICI commented that "rigorous accounting and disclosure standards, including expensing of stock options, are necessary to ensure investor confidence in the Nation's capital markets." With 92 million individual shareholders, mutual funds are a vehicle through which tens of millions of Americans participate in the capital markets. Mutual funds hold about \$4.4 trillion of equity and fixed-income securities issued by U.S. Corporations.

ICI President Paul Schott Stevens said that "the FASB proposal would improve transparency and benefit investors."

In August 2002, the Institute had urged FASB to [reexamine the issue of expensing stock options](#), and pledged to support an expensing requirement were it to be proposed.