

Financial Accounting Standards Board

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For Immediate Release

Financial Accounting Standards Board Chairman Comments on SEC Staff Report on Off-Balance Sheet Arrangements, Special Purpose Entities and Related Issues

Norwalk, CT, June 15, 2005—Earlier today the Securities and Exchange Commission (SEC) issued a staff report *Report and Recommendations Pursuant to Section 401(c) of the Sarbanes-Oxley Act of 2002 On Arrangements with Off-Balance Sheet Implications, Special Purpose Entities, and Transparency of Filings by Issuers*. The report includes several recommendations for actions by the Financial Accounting Standards Board (FASB).

Commenting on the SEC staff report, FASB Chairman Robert Herz noted, “We provided input to and have discussed the content of the report with the SEC staff. I generally agree with the thrust of the SEC staff’s findings and principal recommendations, which are very consistent with FASB’s current activities, agenda plans, and overall commitment to improvement, simplification, and international convergence of accounting standards and financial reporting. We look forward to continuing to work with the SEC and with all participants in the financial reporting system to achieve these important goals.”

About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

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