



U.S. Securities and Exchange Commission

SEC Establishes Advisory Committee to Make U.S. Financial Reporting System More User-Friendly for Investors

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Washington, D.C., June 27, 2007 - Securities and Exchange Commission Chairman Christopher Cox today announced the establishment of an advisory committee that will examine the U.S. financial reporting system with the goals of reducing unnecessary complexity and making information more useful and understandable for investors.

The SEC Advisory Committee on Improvements to Financial Reporting will study the causes of complexity and recommend to the Commission 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.

"Our current system of financial reporting has become unnecessarily complex for investors, companies, and the markets generally," Chairman Cox said. "The time is ripe to review how that system can be made less complex and more useful to investors."

Robert C. Pozen, chairman of MFS Investment Management in Boston and former vice chairman of Fidelity Investments, will chair the SEC's advisory committee. Chairman Cox said he expects between 13 and 17 additional members with varied backgrounds to be named to the advisory committee within the next few weeks.

"In addressing the complexity of the current system, our advisory committee will focus not only on offering better guidance to preparers of financial reports, but also on providing more user-friendly disclosures to meet the different needs of various types of investors," Mr. Pozen said.

SEC Chief Accountant Conrad Hewitt said, "The advisory committee will be studying the very important subject of complexity and transparency in order to help investors better understand the financial statements upon which they rely."

Chairman Cox said that the Commission will direct the advisory committee to conduct its work with a view toward removing practical and structural impediments that reduce transparency or unnecessarily increase the cost of

preparing and analyzing financial reports to the detriment of the investor. The advisory committee will focus on the following areas before making recommendations to the Commission:

- the current approach to setting financial accounting and reporting standards;
- the current process of regulating compliance by registrants and financial professionals with accounting and reporting standards;
- the current systems for delivering financial information to investors and accessing that information;
- other environmental factors that drive unnecessary complexity and reduce transparency to investors;
- whether there are current accounting and reporting standards that impose costs that outweigh the resulting benefits, and
- whether this cost-benefit analysis is likely to be impacted by the growing use of international accounting standards.

As part of its consideration of these areas, the advisory committee will focus on how technology can help address accounting complexity by making financial information more useful to a greater number of investors. Through the power of XBRL, hyperlinks, and other technological advances, the opportunity exists to redesign the financial reporting system to deliver the type and level of information that investors need to access their preferred indicators of company performance.

Chairman Cox noted that Chairman Robert Herz of the Financial Accounting Standards Board (FASB) and Chairman Mark Olson of the Public Company Accounting Oversight Board (PCAOB) have been instrumental in raising awareness about the need to increase the usefulness of the financial reporting system. The advisory committee is looking forward to the continued cooperation and support of both organizations in studying these issues.

The advisory committee will begin its work after additional members are named and the SEC staff files the committee's charter with Congress.

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Biographical Notes:

ROBERT C. POZEN

Robert C. Pozen is Chairman of MFS Investment Management®, which manages more than \$200 billion in assets for more than five million investors worldwide. He was named to his current position in February 2004.

Mr. Pozen is an independent director of Medtronic and BCE (Bell Canada Enterprises). In both companies, he has served as a member of the Audit Committee. In addition, he is involved in various non-profit organizations, such as the Council on Foreign Relations and The Commonwealth Fund. He was recently elected as a fellow of the American Academy of Arts and Sciences.

Mr. Pozen was formerly vice chairman of Fidelity Investments and president of Fidelity Management & Research Company, the investment advisor to the Fidelity mutual funds. During his five years as president, Fidelity's assets under management almost doubled. While previously serving as managing director and general counsel of Fidelity Investments, he created Fidelity's Charitable Gift Fund and launched Fidelity's entry into the Japanese mutual fund business.

Prior to joining Fidelity, Mr. Pozen served as Associate General Counsel for the SEC, and taught law and economics at New York University.

During 2002 and 2003, Pozen was the John Olin Visiting Professor at Harvard Law School, teaching interdisciplinary courses focused on corporate governance and financial institutions. In 2003, he served as Secretary of Economic Affairs for Massachusetts Governor Mitt Romney, helping to close the state's large budget gap and re-organize its functions in business and technology, labor and workforce training, and consumer affairs.

Mr. Pozen also served on President Bush's Commission to Strengthen Social Security in late 2001 and 2002. He later developed a detailed proposal to restore solvency to Social Security, known as progressive indexing, that grows benefits more slowly for higher earners while maintaining scheduled benefits for low earners.

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