



Setting the global standard for investment professionals

Media Contact:

Henry Chua
CFA Institute, Asia Pacific Office
(852) 9097 3783
henry.chua@cfainstitute.org

**CFA INSTITUTE TO FOCUS ON SIX KEY INVESTOR INITIATIVES FROM U.S. SEC
FINANCIAL REPORTING STANDARDS REPORT**

Investor advocate welcomes partnership with preparers, auditors, and other users of corporate financial information

Hong Kong, September 18, 2008 – CFA Institute, the global association of investment professionals, identified six initiatives from the [final report](#) (PDF) of the SEC’s Advisory Committee on Improvements to Financial Reporting (CIFiR) that it will focus on to further advance the investor perspective.

“We were very pleased to see the CIFiR report state that ‘as investors are the primary consumers of financial reports, standards-setting would be greatly improved if their perspectives were better integrated’,” said Jeff Diermeier, CFA, CFA Institute president and CEO and chair of CIFiR’s Delivering Financial Information Subcommittee. “The sentiment of this report as well as the collaborative spirit between the preparers, auditors, investors, and others who participated in the CIFiR process will benefit the future of global financial reporting. As we continue to monitor and create dialogue on specific issues such as disclosure recommendations, restatements, fair value measures, and the use of judgment, we look forward to collaborating with those groups so that a broader range of perspectives is considered.”

The six initiatives are:

1. **Joint Financial Statement Presentation Project** – Diermeier said that “this is a very important project for investors because it will improve their ability to understand the economic activities reported in the financial statements by separating operating, financing, and investing results, which is consistent with the proposals outlined in our [Comprehensive Business Reporting Model](#). We support the Committee’s intention to, as the report states, ‘delineate the nature of changes in income and allow investors to assess the degree to which management controls each one.’ Already the [CFA Institute Centre](#) has begun to solicit volunteers who might be able to assist the SEC with its field testing.”

2. **IFRS Convergence** – CFA Institute continues to advocate for the global use of high quality standards. It recognizes that the pace of convergence may have a direct impact on implementation and could lend



to the development of a date-certain roadmap versus the current plan to allow the choice of either standard.

3. **XBRL** – As a significant collaborator with XBRL US and XBRL International, CFA Institute believes that XBRL will improve the accessibility, accuracy, and transparency of financial reporting and has the potential to improve the quality of global capital markets through advances in the valuation process.

4. **Key Performance Indicators (KPIs)** – The CIFIr report states that “the SEC should encourage a private, industry-driven initiative with significant investor involvement to develop best practices that companies could follow in voluntarily developing and disclosing KPIs. Just as financial reporting standards and the recently developed interactive data taxonomy may improve business reporting by creating standardized language, we believe the development of a KPI framework could provide valuable information to investors.”

Diermeier noted “investors look beyond primary financial statements to understand the operations and opportunities of a company. Increasing the standardization and comparability of this non-financial business information will provide a better framework for making investment decisions.”

5. **Quarterly Press Releases** – In March 2007 the CFA Institute Centre and the Business Roundtable Institute for Corporate Ethics issued [Apples to Apples: A Template for Reporting Quarterly Earnings](#). CFA Institute looks forward to working with organizations representing companies and investors to develop new and to refine existing recommendations.

6. **Websites and Summaries** – “Corporate websites are one of many sources of information for the professional investor,” said Diermeier. “We are encouraged by the call for improved web access and usability of the information provided.”

About CFA Institute and the CFA Institute Centre for Financial Market Integrity

CFA Institute is the global association for investment professionals. It administers the CFA[®] and CIPM curriculum and exam programs worldwide; publishes research; conducts professional development programs; and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry. CFA Institute has more than 96,000 members, who include the world’s 82,700 CFA charterholders, in 133 countries and territories, as well as 136 affiliated professional societies in 57 countries and territories. More information may be found at www.cfainstitute.org.

The CFA Institute Centre develops timely, practical solutions to global capital market issues. Established in 2004, the CFA Institute Centre builds upon the CFA Institute mission to lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence. It carries forward the organization’s 60-year history of standards and advocacy work, especially its Code of Ethics and Standards of Professional Conduct for the investment profession. More information may be found at www.cfainstitute.org/centre.