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FASB Initiates "Disclosure Framework" Project Aimed at More Useful, Organized, and Consistent Disclosures

Norwalk, CT, July 8, 2009—Robert H. Herz, chairman of the Financial Accounting Standards Board (FASB), today announced the addition of a new FASB agenda project aimed at establishing an overarching framework intended to make financial statement disclosures more effective, coordinated, and less redundant.

The project was added in response to requests and recommendations received from several constituents, including the Investors Technical Advisory Committee (ITAC) and the SEC Advisory Committee on Improvements to Financial Reporting (CIFR).

"Many constituents have expressed concerns about so-called 'disclosure overload,'" said Chairman Herz. "While clear and robust disclosures are essential to informative and transparent financial reporting—a critical component in maintaining investor confidence in the markets—improving the way such disclosures are integrated can help decrease complexity. The Board will embark on this project to create a principles-based disclosure framework that will enable companies to communicate more effectively with investors and also help eliminate redundancy or otherwise outdated GAAP disclosure requirements."

Chairman Herz noted that the project objective is not intended to be "additive." Rather, it will focus on developing a framework for improved GAAP disclosures. It is envisioned that this framework would enable all entities to focus on making more coherent disclosures in their annual reporting package, move away from what some assert has become a compliance exercise, and perhaps facilitate XBRL electronic tagging of information.

Some specific financial reporting areas the project will evaluate and address include whether the disclosure framework should:

- Apply to all entities or perhaps exclude private or nonprofit entities
- Apply to interim reporting
- Focus only on high-level principles
- Focus only on notes to financial statements or extend to ways to better integrate information provided in financial statements, MD&A, and other parts of a company's public reporting package.

The FASB expects to begin deliberations this quarter and plans to issue a preliminary views document in the first half of 2010 .

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.

Additional Details
