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## SEC Regulations Committee and SEC Staff Hold Third Meeting of 2007

*by Deloitte & Touche LLP's Accounting Standards and Communications and SEC Services Groups*

On October 11, 2007, the SEC Regulations Committee (the "Regulations Committee") held its third meeting of the year with the SEC staff. The Regulations Committee is composed of representatives from various public accounting firms, industry, and academia, and meets periodically with the SEC staff to discuss emerging technical accounting and reporting issues relating to SEC rules and regulations.

### Summary of SEC Staff's Views on Current SEC Reporting Practice Issues

The following is a summary of each agenda issue discussed at the October 11, 2007, meeting (click on any discussion document title to see the final SEC staff view):

Issue Description	Discussion Document Title
Clarification of eligibility criteria that a registrant uses to determine the age of the financial statements of an acquired business that must be provided in a registration statement	<a href="#">Assessing the Age of Financial Statement Requirements Relating to an Acquired/to Be Acquired Business When the Registrant and the Acquiree Have Different Fiscal Year-Ends</a>
Discussion of disclosure requirements in registration statements for proposed FSP APB 14-a <sup>1</sup> regarding convertible debt securities	<a href="#">Financial Information Required in Registration Statements When There Are Retrospective Accounting Changes as a Result of Eventual Adoption of Proposed FASB Staff Position APB 14-a</a>
Financial statements a registrant should use in determining the significance of an acquired business that is a successor to a predecessor company	<a href="#">Application of Rule 3-05(b)(3) of Regulation S-X Regarding Financial Statements Used to Measure Significance When an Acquired or to Be Acquired Business Is a Successor to a Predecessor Company</a>
Clarification of what guarantor financial statements a registrant must provide in an automatic shelf registration statement at the time of filing	<a href="#">Application of Rules 3-10 and 3-16 of Regulation S-X to Automatic Shelf Registration Statements</a>

<sup>1</sup> Proposed FASB Staff Position No. APB 14-a, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)."

*Meeting highlights will be posted to the SEC Regulations Committee Web page when they are finalized and approved by the SEC staff.*

Issue Description	Discussion Document Title
How a registrant should determine whether separate financial statements/ summarized financial information is required when an investment is accounted for under the Statement 159 <sup>2</sup> fair value option rather than under the equity method	Application of Rules 3-09 and 4-08(g) of Regulation S-X to Investments Accounted for Using the Fair Value Option Under SFAS No. 159 That Otherwise Would Be Accounted for Under the Equity Method Under APB 18
Financial statements, which an issuer of asset-backed securities must provide, for entities providing credit enhancements in certain periodic reports	Financial Statements of Credit Enhancers and Related Accountants' Consents in Filings by Asset-Backed Issuers <sup>3</sup>
Clarification of a registrant's requirement to update its financial statements in a Form S-8 when subsequent events (e.g., discontinued operations or changes in segments) have occurred	Form S-8 Reporting Requirements for Effects of Subsequent Events on Financial Statements <sup>4</sup>

#### SEC Staff Discussions Regarding Ongoing Projects, Final Rule Releases, and Other Matters

The meeting highlights (which summarize all discussions at the meeting) will be posted to the [SEC Regulations Committee Web page](#) when they are finalized and approved by the SEC staff. In the meantime, the following is a list of topics, as described on the Web page, discussed with the SEC staff:

- Requirement to name valuation specialists as experts and obtain consents.
- IFRS proposing release.
- Small business initiatives.
- Proxy access.
- Restatements and Item 4.02 of Form 8-K.
- Voluntary filers.
- XBRL.
- Climate-change risk disclosures.
- Executive compensation.
- Statement 157.<sup>5</sup>
- Foreign private issuer deregistration and auditor independence considerations.
- Advisory Committee on Improvements to Financial Reporting.
- Personnel changes.

<sup>2</sup> FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* — including an amendment of FASB Statement No. 115.

<sup>3</sup> The SEC staff has not finalized its view on this discussion document as of the date of this *Heads Up*. We will provide a link to the finalized view on the issue in a future *Heads Up*.

<sup>4</sup> While this discussion document was included in the Regulations Committee's original agenda, the SEC staff and Regulations Committee agreed to have further discussions on the topic. If the SEC provides further information on this topic, we will communicate it, as appropriate.

<sup>5</sup> FASB Statement No. 157, *Fair Value Measurements*.

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