

SEC Commences Work on Congressionally Mandated Study on Accounting Standards

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Washington, D.C., Oct. 7, 2008 — The Securities and Exchange Commission today announced additional details on the process and initial steps that the SEC has undertaken to conduct a study on "mark-to-market" accounting, as authorized by Sec. 133 of the Emergency Economic Stabilization Act of 2008, signed into law by President Bush last Friday.

Additional Materials

▶ [SEC Office of Chief Accountant, FASB Staff Clarifications on Fair Value Accounting](#)

Under legislation enacted last week to help stabilize financial markets, the SEC is required to conduct a study of "mark-to-market" accounting. The study is to be completed by Jan. 2, 2009, in consultation with the Secretary of the Treasury and the Board of Governors of the Federal Reserve System. Under the terms of the EESA, the study will focus on:

1. The effects of such accounting standards on a financial institution's balance sheet
2. The impacts of such accounting on bank failures in 2008
3. The impact of such standards on the quality of financial information available to investors
4. The process used by the Financial Accounting Standards Board in developing accounting standards
5. The advisability and feasibility of modifications to such standards
6. Alternative accounting standards to those provided in [Financial Accounting Standards Board] Statement Number 157

SEC Chairman Christopher Cox announced that James Kroeker, Deputy Chief Accountant for Accounting at the SEC, will serve as staff director for the study. As Deputy Chief Accountant, Mr. Kroeker is responsible for resolution of accounting issues, rulemaking projects, and oversight of private sector accounting standard-setting efforts. Prior to his current position, Mr. Kroeker was a partner at Deloitte and Touche, LLP in the firm's National Office Accounting Services Group, where he was responsible for providing consultation and support regarding the implementation, application, communication and development of accounting standards. Mr. Kroeker also served as a Practice Fellow at the Financial Accounting Standards Board, where he assisted in the development of accounting guidance related to evolving accounting issues.

The SEC also announced that it is scheduling public roundtables to obtain input into the study from investors, accountants, standard setters, business leaders, and other interested parties.

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