

**SEC Regulations Committee**  
**September 26, 2006 - Joint Meeting with SEC Staff**  
**SEC Offices – Washington DC**  
**Agenda**

**I. Commission and Division Updates including Organizational and Staff Changes**

Office of the Chief Accountant (OCA) Update

Division of Corporation Finance (Corp Fin) Update

Division of Enforcement (Enforcement) Update

Division of Investment Management (IM) Update

**II. New Issuances/Releases**

***Final rules that have been issued since our last meeting (in reverse chronological order):***

Executive Compensation and Related Person Disclosure

Internal Control Over Financial Reporting In Exchange Act Periodic Reports of Foreign Private Issuers That Are Accelerated Filers

Amendments to the Informal and Other Procedures; Public Company Accounting Oversight Board Budget Approval Process

Joint Final Rules: Application of the Definition of Narrow-Based Security Index to Debt Securities Indexes and Security Futures on Debt Securities

Fund of Funds Investments

***Notices of Proposed Rulemakings that were issued since our last meeting:***

Executive Compensation Disclosure (Request for Additional Comment)

Electronic Filing of Transfer Agent Forms

Internal Control Over Financial Reporting In Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies

Amendments to Regulation SHO

Investment Company Governance (Request for additional comments)

Proposed Amendment to Rule 14a-8 under the Securities Exchange Act of 1934 concerning director nominating by shareholders

### **III. Status Update of Projects/Issues**

- A. Status Update on Compilation of SEC Regulations Committee meeting highlights
- B. Status update on the staff's project to study and update materiality and evaluation of unadjusted differences guidance
- C. Update of the Staff Training Manual
- D. Update on any Alerts to be issued by the Division of Corporation Finance or Office of the Chief Accountant
- E. Update of Current Accounting and Disclosures Issues (last update – 12/1/05)
- F. Status Update on Committee Documents Provided to the Staff
  - 1. Rule 3-10, 3-16 Task Force Discussion Documents (Sent on June 29, 2006)
  - 2. Financial Statements of Credit Enhancers and Related Accountants' Consents in Filings by Asset-Backed Issuers (Sent on July 31, 2006)
- G. Division of Corporation Finance Preliminary Review of Filings
- H. Recent GAO Report on Restatements
- I. Update on Status of Stock Option Issues
- J. Testimony to Congress by Chairman Cox on September 6, 2006 Regarding Guidance on the Accounting Issues Surrounding Backdating
- K. Update on Practice Issues Related to PCAOB Q&A on Adjustments to Prior-Period Financial Statements Audited by a Predecessor Auditor issued on June 9, 2006
- L. Update on Practice Issues Related to the Adoption of SFAS No. 123(R)
- M. Status update on approval of the following:
  - 1. September 2005 Joint Meeting Highlights
  - 2. April 2006 Joint Meeting Highlights
  - 3. June 2006 Joint Meeting Highlights
- N. PCAOB Revisions to AS 2

#### **IV. Other Issues**

- A. Statement of Cash Flow Classifications of Settlement of “In-Kind” Interest Instruments and Zero-Coupon Instruments
- B. FASB Interpretation No. 48 (See Appendix A)
  - 1. Disclosures under FASB Interpretation No. 48 in Form 10-Q in the Period of Adoption
  - 2. Other Implementation Issues

## **V. Current Practice Issues**

- A. Section 404 Reporting by Non-Accelerated Filers After Exiting Accelerated Filing**
- B. Rule 3-09 Financial Statements in the Year in which an Investee is Disposed (Revisit of discussions from various prior meetings) (Discussion Document B from June '06 Meeting)**
- C. Treatment in Pre-Adoption Pro Forma Income Statement of Options Given to Employees of a Target in a Business Combination after the Acquirer has Adopted Statement 123(R) (Discussion Document H from June 20, 2006 Meeting)**
- D. Labeling financial statement columns to indicate (1) a change in accounting principle, and (2) a correction of an error, as applicable**

