

For the attention of Mr Robert C. Pozen

Dear Mr Pozen

We were very interested to read of your appointment to chair the SEC Advisory Committee on Improvements to Financial Reporting.

We are currently beginning work on a follow-up to a report we published in 2003, New Reporting Models for Business. This looked at a number of key ideas for changing business reporting that have emerged over the past 20 years, usually taking as their starting point alleged deficiencies in the financial reporting model. The reformers we looked at typically recommended increasing disclosure of forward-looking, non-financial and qualitative information (which would all, presumably, appear in management commentary), rather than changes in financial reporting.

I'm not sure that I could document this, but we now notice that there is a tendency to allege the complexity and lack of understandability of financial reporting as reasons for changing business reporting, but with much the same prescriptions as before, so that the solution to alleged deficiencies in financial reporting is still seen to be an expanded management commentary.

We would be very interested in the outcome of your committee's work and would be most grateful for any input that you might be able to give to our own work on new reporting models. We would welcome the opportunity to contact you at some point to discuss these issues.

Regards

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