
**CURRENT DEVELOPMENTS
IN THE
DIVISION OF CORPORATION FINANCE**

***National Conference on Current SEC
& PCAOB Developments***

**Wayne Carnall
Chief Accountant
Division of Corporation Finance
December 6, 2010**

Disclaimer

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Topics

- **Communications and transparency**
- **Reviews and issues**
- **Other – IFRS and Goals for 2011**

Changes in Accounting Staff

Mark Kronforst

Linda van Doorn

Steven Jacobs

Joel Levine

Review of Last Year's Goals

- | | |
|---|---------------------------|
| 1. Continue the outreach program | 1. Accomplished - ongoing |
| 2. Keep current the <i>Financial Reporting Manual</i> and develop interpretations that will be part of CDIs | 2. Accomplished – ongoing |
| 3. Update/eliminate certain information on our website | 3. In process |
| 4. Develop “No Action” style letters for certain items | 4. Not done |
| 5. Keep current the guidance for smaller issuers | 5. Accomplished - ongoing |
| 6. Keep current the guidance on areas of focus for banks | 6. Accomplished – ongoing |
| 7. Develop guidance for 8-K filings | 7. In process |
| 8. Various rules – 3-05, 3-09, etc | 8. Not done |

**COMMUNICATIONS
&
TRANSPARENCY**

Communications

- **Outreach Program**
 - ❖ Accounting Firms
 - ❖ Investor Groups
 - ❖ Other Organizations
- **Letters – waivers, interpretations, etc.**
dcaoleters@sec.gov
- **E-mail vs. phone calls**
 - ❖ Efficiency
 - ❖ Future Guidance

Dear CFO Letters

Foreclosures – October 2010

Repos – March 2010

MD&A and loan loss – August 2009

MD&A and SFAS 157 – September 2008

MD&A and SFAS 157 – March 2008

MD&A and SIVs – December 2007

SEC Staff Review of Common Financial Reporting Issues Facing Smaller Issuers

Wayne Carnall, Chief Accountant

Steven Jacobs, Associate Chief Accountant

Andrew Mew, Accounting Branch Chief

Ryan Milne, Accounting Branch Chief

Brian K. Bhandari, Accounting Branch Chief

Jennifer Thompson, Accounting Branch Chief

Joel Parker, Accounting Branch Chief

Cicely LaMothe, Accounting Branch Chief

Kevin Woody, Accounting Branch Chief

Division of Corporation Finance

November 2010

*Areas of Frequent Staff
Comment – Financial
Institutions*

**Stephanie L. Hunsaker
Associate Chief Accountant
Division of Corporation Finance
December 2010**

Best Practices for Working with SEC Staff

December 6, 2009

Angela Crane

Michael Stehlik

Division of Corporation Finance

U.S. Securities & Exchange Commission

Financial Reporting Manual

- **Objective**
- **Location**
<http://sec.gov/divisions/corpin/cffinancialreportingmanual.pdf>
- **Updating – Quarterly**
- **CAQ Regs. Committee and IPTF**

Compliance Disclosure Interpretations

- **What are CDIs?**
- **Who issues them?**
- **Should accountants care about them?**
- **Location**

<http://www.sec.gov/divisions/corpfin/cfguidances.html>



REVIEWS

&

ISSUES

Comments

"This is like déjà vu all over again."

Yogi Berra

Responding to Comment Letters

- **My experience**
- **My recommendation**
- **“Cutting and pasting” from other response letters**

Miscellaneous

- **Short Term Borrowing – Proposed Rule**
- **Presentation of Liquidity and Capital Resources Disclosures in MD&A – Interpretive Release**
- **Internal Controls over Financial Reporting**
 - ❖ **Non-accelerated filers**
 - ❖ **Substantially all operations located outside of the U.S.**
- **Other**

Contingencies – ASC 450

- **Differences between S-K 103 and ASC 450**
- **Observations**
- **Concerns**
- **What you can expect from our comments**
- **What we expect for disclosure**

OTHER

The Work Plan

- **The Corp Fin review plan**
- **Objective**
- **Observations**

Financial Statement Size

IFRS



US GAAP



Goals for 2011

- **Select a Deputy Chief Accountant and several Associate Chief Accountants**
- **Complete the IFRS Work plan**
- **Continue the outreach program –**
 - ❖ **Webcast**
- **Keep current the *Financial Reporting Manual* and other communication documents**
- **Update/eliminate certain information on our website**
- **Complete the guidance for 8-K filings**