

Opening Statement by

Arthur Levitt

SEC Open Meeting, November 17, 1993

This is an open meeting of the Securities and Exchange Commission.

We are meeting today with members of the Financial Accounting Standards Board. We welcome Chairman Beresford and the other Board members and Tim Lucas, the FASB's Director of Research and Technical Activities.

In Accounting Series Release 150, issued in 1973 at the time when the FASB had just been formed and was getting underway, the Commission said that it "...intends to continue its policy of looking to the private sector for leadership in establishing and improving accounting principles and standards through the FASB with the expectation that [the FASB's] conclusion will promote the interests of investors." Since 1973, the FASB has been successful in establishing and improving financial accounting and reporting standards.

The Commission staff has been involved in overseeing the development of both specific FASB standards and the FASB standards-setting process. The SEC historically has supported the FASB's process for setting accounting standards, and continues to do so.

As part of the SEC's oversight, the Commission periodically has had meetings such as this one with members of the FASB. The most recent prior meeting was in 1991.

We have received from Mr. Beresford a suggested agenda for today's meeting. Board members will brief the Commission regarding various activities and Board agenda projects. Commissioners and staff are invited to ask questions of Board members. There are many pressing issues facing both the Commission and the FASB, including the internationalization of the securities markets and the increasing diversity of financial instruments being made available to investors. We look forward to hearing from the FASB on these issues, as well as on Board's ongoing projects on topics such as consolidations and the accounting for stock compensation.

I want to welcome all of you, and I will now ask Mr. Beresford to begin the discussion of FASB activities and agenda projects.