

FASB Forms Investor Task Force

The FASB will now have an important new and additional source from which to draw sector specific input and expertise on accounting issues.

In the latest in a series of steps designed to enhance participation of investors and other users of financial information in the standards-setting process, the FASB has established an Investor Task Force (ITF). The ITF is comprised of the nation's largest institutional asset managers, including The Capital Group Companies, Fidelity Investments, Mellon Financial Corporation, Putnam Investments, T. Rowe Price, and Wellington Management. Together, these institutions and their affiliates maintain more than \$3 trillion in assets under management.

Don Young, a FASB member and former financial analyst said, "The creation of the Investor Task Force is one step of several taken by the Board in its effort to increase our understanding of what users of financial reports need and want."

ITF member firms will each provide an institutional contact point, in most cases the director of research, who will identify industry specific analysts at their respective firms that match the sector requirements of each standard-setting initiative. This approach will correspond to the ITF's role in assisting in what Mr. Young describes as "unstructured, ad hoc issues" that come before the Board. An example is an issue on the FASB's agenda that relates to the oil industry which could result in the ITF appointing an oil and gas analyst to advise the Board and staff from at least one of the ITF member firms.

Commenting on the formation of the ITF, Stephen Byers, vice chairman and chief investment officer at The Dreyfus Corporation—a subsidiary of Mellon Financial, said "FASB is doing a great job of reaching out to the professional investor community with the objective of more deeply involving the interests of public and private investors in their mission of establishing effective standards and dealing proactively with current critical topics that are before FASB."

In 2003, the FASB established the User Advisory Council (UAC) which includes representation from individual and institutional investors, equity and debt analysts, lenders, and credit agencies. The UAC serves as a resource to the FASB both in formulating its technical agenda and in advising on specific agenda projects. Investors are also represented on the Financial Accounting Standards Advisory Council, FASB's Emerging Issues Task Force, and in FASB's project resource groups.

The FASB also regularly holds public meetings, conducts round tables, issues proposals for public comment, and takes a multitude of other proactive measures to ensure that its standards reflect the views and perspectives of all constituents.

"We are delighted with the formation of the ITF, which will provide us with valuable sector-specific insight from the professional investment community," FASB chairman Bob Herz said. "We thank the ITF member firms for their commitment to this important initiative and encourage other institutions to participate in our due process."