



## **Effective Disclosure Comment Letter Submitted to SEC by Society of Corporate Secretaries and Governance Professionals**

*“The SEC’s disclosure effectiveness initiative is important to both companies and investors and the Society is pleased to contribute positively/constructively to this effort.”*

New York, September 11, 2014/PRNewswire/ -- The Society of Corporate Secretaries and Governance Professionals ("Society") today submitted a comment letter to the U.S. Securities and Exchange Commission ("SEC") with suggestions related to its Disclosure Effectiveness review. The Society's letter strongly supports the efforts of the Division of Corporation Finance to improve disclosure efficiency and effectiveness. The letter makes concrete suggestions to improve disclosure by eliminating obsolete information which is readily available elsewhere as a result of changes in technology, eliminating duplicative or redundant disclosure, and by taking a principles based approach that would require a basic set of information but also allow companies flexibility to exercise judgment in applying disclosure requirements to communicate about their own businesses and circumstances.

More specifically, the Society letter urges the Division staff to coordinate with the FASB to eliminate requirements for the same disclosure required under both US GAAP and SEC rules. In addition, the Society believes the SEC and FASB should delineate the appropriate presentation of qualitative and quantitative disclosure as between the financial statements and the narrative Management's Disclosure and Analysis (MD&A) section in the Form 10K. Financial footnotes should not become "mini-MD&As" but rather should be limited to a company's historical transactions, financial position and accounting principles underlying the financial statements.

The Society also believes that technology should be used such that companies can have a profile with "tabs" or "folders" to present information by topic that covers the basic information about the business, its officer and directors, corporate governance structure and policies and descriptions of its outstanding securities. The tab functionality could also be used for links to filed exhibits, as well as for risk factors and non-GAAP reconciliations. This would allow more streamlined periodic reports that would focus more on a company's financial results for the period covered by the report.

The Commission's Division of Corporation Finance is reviewing the disclosure requirements and is considering ways to improve the disclosure regime for the benefit of both companies and investors. The Staff has announced that initially its review will focus on the business and financial disclosures required

by periodic and current reports, Forms 10-K, 10-Q, and 8-K and that subsequent phases of the project will include compensation and governance information included in proxy statements.

Questions regarding the comment letter should be directed to Stephen Brown at [sbrown@governanceprofessionals.org](mailto:sbrown@governanceprofessionals.org) or Darla Stuckey at [dstuckey@governanceprofessionals.org](mailto:dstuckey@governanceprofessionals.org).

**About the Society of Corporate Secretaries and Governance Professionals**

Founded in 1946, the Society is a professional association of over 3,200 governance professionals who serve 1,800 public, private and not for profit companies of most every size and industry. Its members support the work of corporate boards and executive management regarding corporate governance and disclosure, compliance with the corporate and securities laws and regulations, and stock exchange listing requirements.