



November 13, 2009

The Honorable Barney Frank  
Chairman, House Financial Services Committee  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Spencer Bachus  
Ranking Member, House Financial Service Committee  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Paul Kanjorski  
Chairman  
Subcommittee on Capital Markets, Insurance, and  
Government Sponsored Enterprises  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Scott Garrett  
Ranking Member  
Subcommittee on Capital Markets, Insurance, and  
Government Sponsored Enterprises  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairmen and Ranking Members:

On behalf of the Association for Financial Professionals (AFP) Financial Accounting and Investor Relations (FAIR) task force, we are writing to express our concern with recent proposals that would realign the oversight of the Financial Accounting Standards Board (FASB) within the structure of systemic risk. Moreover, we are particularly concerned that placing the FASB under the jurisdiction of an oversight structure that limits the FASB's ability to operate independently may compromise the future objectivity and independence of the overall standard setting process.

AFP represents approximately 16,000 finance and treasury professionals from over 5,000 corporations, including Fortune 1,000 and the largest of the middle market companies. Our membership includes a significant number of corporate treasurers who are responsible for the protection and management of corporate cash and cash flow requirements, including hedging activities for their companies, and for the oversight of cash management and investments, both short-term and long-term.

The FAIR task force, a subcommittee of AFP's Government Relations Committee, monitors the activities of the FASB, the International Accounting Standards Board (IASB), the Securities and Exchange Commission (SEC) and other government and standard-setting entities that affect corporate accounting, financial reporting and investor relations.

We applaud the Committee's commitment to resolving the current issues affecting the stability of the financial markets. Until recently, our financial markets thrived, in part, because investors were confident that the information reported through a company's audited financial statements were materially accurate, thus enabling investors and other users of the information to rely on it when making sound business decisions. While accounting standards may have contributed in some small measure to the financial markets' recent instability, such independently-derived standards certainly cannot be blamed as the root cause for the overall market turmoil.

The primary focus of the FASB has been to protect investors by establishing set accounting standards, as directed by the SEC (FASB's overseeing agency). We agree that this overarching mission should be expanded to consider the impact that such rules may have on the financial stability of the economy. While Congress seeks a solution for how such a balance can be obtained, we maintain that the integrity and independence of the standard setting process should always be at the forefront of any policy decisions affecting accounting standard setting.

Currently, accounting standards issued by the FASB are globally recognized because of its ability to establish, interpret and modify its standards based on independent, objective consideration of facts and circumstances. The FASB has been given the authority to operate free of outside influences or biases from any external entity or group. This entity sets standards for a diverse body of constituents beyond the financial services market, a role that requires absolute independence in order for its voice to be given its due credence. As such, placing the FASB under the jurisdiction of an oversight structure that limits the FASB's ability to operate under such dynamics will most likely call into question the future objectivity and independence of the overall standard setting process by our global financial community.

Thank you for the opportunity to voice our concerns. Please feel free to contact Salome J. Tinker, CPA, AFP's Director of Accounting and Financial Reporting, at (301) 961-8871 or [sjtinker@AFPonline.org](mailto:sjtinker@AFPonline.org) for follow up questions about our remarks stated herein.

Sincerely,



June Johnson, CPA, CTP  
Director & Treasurer, HMX, LLC  
Chairman,  
Financial Accounting & Investor Relations Task Force  
AFP Government Relations Committee



Maureen O'Boyle, CCM  
Assistant Treasurer, Shaklee Corporation  
Chairman  
AFP Government Relations Committee