

## Castle Supports Legislation Promoting Transparency in Financial Reporting -- February 28, 2007

Washington, D.C. -- Delaware Congressman Mike Castle, a senior member of the House Financial Services Committee, yesterday helped pass legislation in the House to increase transparency in financial reporting. The bill, of which Castle is an original co-sponsor, requires the Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB) and Financial Accounting Standards Board (FASB) to testify annually before the Financial Services Committee on their efforts to reduce the complexity in financial reporting in order to provide clearer financial statements to investors. The bill now moves to the Senate for a vote.

Congressman Castle was an original co-sponsor of the legislation when it initially passed the House in the 109th Congress. The legislation further enhances financial reports so that companies' financial positions are easily understood by investors, which is crucial to sustain after the accounting scandals at Enron.

"This legislation takes a much needed step towards greater transparency and comprehensive financial reporting in this country which is crucial for investor confidence and supporting the overall health of our capital markets. We have found in Congress that clear financial disclosures are integral to the continued growth and strength of our markets and that the increasing complexity of accounting, auditing, and reporting pose major challenges for small businesses and the average investor. Current accounting standards are obsolete and disclosures need to be more comprehensive," Castle said.

The annual testimony before the House Financial Services Committee will provide more accurate and clear financial information to investors, including--

- Reassessing complex and outdated accounting standards;
- Improving the understandability, consistency, and overall usability of the existing accounting and auditing literature;
- Developing principles-based accounting standards;
- Encouraging the use and acceptance of interactive data; and
- Promoting disclosures in 'plain English'.

###