



H.R. 755 – Promoting Transparency in Financial Reporting Act of 2007

Floor Situation

H.R. 755 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Geoff Davis (R-KY) on January 31, 2007. The bill was referred to the Committee on Financial Services but never considered.

H.R. 755 is expected to be considered by the House on February 27, 2007.

**Note: An identical bill, Promoting Transparency in Financial Reporting Act of 2006 (H.R. 5024,) passed in the House by voice vote on July 25, 2006.*

Summary

H.R. 755 would require the Chairperson (or a designee) of the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board to give oral testimony to the Committee on Financial Services relating to their efforts to promote transparency in financial reporting.

Specifically, the Chairpersons will discuss their efforts to:

- Assess complex and outdated accounting standards;
- Improve the understandability, consistency and overall usability of existing accounting and auditing literature;
- Develop principals based accounting standards;
- Encourage the use of interactive data; and,
- Promote the use of “plain English” in disclosures.

H.R. 755 would require oral testimony to be given annually beginning in 2007 and ending 5 years after the date of adoption of the bill.

Background

H.R. 755 seeks to measure the complexity of current accounting practices and help to reduce the costs associated with reporting and auditing of financial information.

Staff Contact

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