



March 22, 2012

Dear Members of the United States Senate:

We are writing with respect to the “Jump Start Our Business Startups (JOBS)” Act. As organizations representing capital market stakeholders, we support efforts to promote job and capital creation. However, we have concerns with provisions in the Act that would interfere with the independence of the accounting and auditing standard-setting processes.

Audited financial statements provide stakeholders in the capital markets with the information they need to make important investment and other business decisions. Confidence in the accounting standards underlying those financial statements is derived from an independent, open and transparent public due process in which potential new standards and their impacts are carefully considered with input from all interested parties. To circumvent this process would undermine investor confidence and the quality of financial reporting - the foundation of our capital market system.<sup>1</sup>

We urge you to remove provisions in the bill that would by-pass the independent standard-setting process.

Sincerely,

A handwritten signature in black ink that reads "Cynthia M. Fornelli".

Cynthia M. Fornelli  
Center for Audit Quality

A handwritten signature in black ink that reads "Jeff Mahoney".

Jeff Mahoney  
Council of Institutional Investors

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<sup>1</sup> See, e.g., Letter from Jeff Mahoney to The Honorable Tim Johnson et al. (Mar. 1, 2012) (describing concerns of the Council of Institutional Investors with provisions of S. 1933, including those provisions that would "impair the independence of private sector accounting and auditing standard setting"), [http://www.cii.org/UserFiles/file/resource%20center/correspondence/2012/03-01-12%20-%20Council%20letter%20to%20Banking%20Com%20on%20Cap%20Formation%20Bill%20\(Final\).pdf](http://www.cii.org/UserFiles/file/resource%20center/correspondence/2012/03-01-12%20-%20Council%20letter%20to%20Banking%20Com%20on%20Cap%20Formation%20Bill%20(Final).pdf).