

NEWS

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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PRESS ADVISORY

COMMISSION TO CONSIDER REQUIREMENT FOR MANAGEMENT STATEMENT ON INTERNAL ACCOUNTING CONTROL

The Commission will consider at an open meeting on Thursday, April 19, a proposed rule to require corporate management to report annually regarding the company's system of internal accounting control.

The meeting will begin at 10 a.m. in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street. Following the open meeting, members of the staff will participate in a briefing, in Room 776, to discuss whatever action the Commission takes.

Under the Foreign Corrupt Practices Act, which became law in December 1977, corporations registered with the Commission are required to "devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that --

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"(i) transactions are executed in accordance with management's general or specific authorization;

"(ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;

"(iii) access to assets is permitted only in accordance with management's general or specific authorization; and

"(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences."

The proposal to be considered by the Commission on Thursday would require a statement of management on internal accounting control to be included in the 10-K annual report filed with the Commission, and in the annual report sent to shareholders pursuant to the proxy rules. The proposal would require that such statement be examined by an independent public accountant.

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