Sarbanes-Oxley Act / Act should be reformed

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Position: Act should be reformed

This position addresses the topic Sarbanes-Oxley Act.

For this position

> "Unless Congress or the SEC acts, we're poised to reap the ultimate irony - our economic undoing coming not from outside forces set on destroying our way of life but from our own overzealous attempts to protect ourselves."

From Economic Poison, by Mark Heesen (*New York Post*, October 3, 2006) (view)

> "Countless studies have documented how SOx not only stifles innovation, hinders growth and keeps businesses private, but also even fails its fundamental task of boosting investor confidence. Is there any evidence that SOx in its current form helps the city's competitiveness? We can't find it."

From SOx and the City, by New York Post editorial board (*New York Post*, October 2, 2006) (view)

> "There is no question that the relative slowdown in the number of companies choosing to list on American stock exchanges compared to counterparts overseas can be partly explained by the onerous regulations of Sarbanes-Oxley's Section 404. There is no question that some smaller companies choose to remain private rather than enjoy the benefits of listing stock publicly because the costs can outweigh the benefits for some. And there is no question that a loosening of the rules for smaller companies would be the correct thing to do."

From Democrats loosening their SOX?, by The Washington Times editorial board (*The Washington Times*, November 27, 2006) (view)

> "We need a thoughtful readjustment. The aims of a revised Sarbanes-Oxley would be to lower the cost of compliance, especially for small companies and certain foreign companies that come into our financial markets; to relieve some of the burden of the bureaucracy imposed by the law's disclosure rules; and to identify ways to encourage corporate boards to focus less on fretful compliance and more on creative competitiveness."

From The worm in the Big Apple, by Mortimer Zuckerman (*New York Daily News*, November

27, 2006) (view)

> "Unfortunately, Sarbanes-Oxley is undermining our financial markets; and in its current form it is also unconstitutional. For the sake of the free enterprise system and America's prosperity, I hope that the desires of Ms. Pelosi and Mr. Spitzer to reform this well-intentioned, but misguided attempt at reform will soon be joined by many others in Congress--and in the Bush administration."

From Two Cheers for Nancy Pelosi, by Mallory Factor (*The Wall Street Journal*, March 19, 2006) (view)

> "It's not hard to imagine that at least some of the next generation's Google or Home Depot may be postponing entry into the public capital markets or even leaving them because their financial footing is still precarious. Government should not block useful interactions with ordinary investors."

From Frank and helpful, by The Washington Times editorial board (*The Washington Times*, March 18, 2007) (view)

> "Indeed, Cox will be very sympathetic to the argument that the post-Enron Sarbanes-Oxley era is chock-full of regulatory overkill, the kind that has lowered the animal spirits of entrepreneurship and risk-taking."

From Chris Cox: What the SEC Needs, by Larry Kudlow (*National Review*, June 3, 2005) (view)

> "My testimony specifically recommended that the mechanism for triggering mandatory compliance not be based on a market capitalization of $75 million as the law currently states, but rather an annual revenue level of $75 million (not including research and development revenues), which I believe is a much more appropriate metric."

From Sarbanes-Oxley Hurting Small Businesses, by Alan Patricof (*The Huffington Post*, June 17, 2005) (view)

> "The measure was passed with the best of intentions: to end the wave of corporate scandals that cost stockholders billions. But Sarbanes-Oxley failed to strike a proper balance. Compliance costs have soared, taking a heavy toll on smaller firms, some of which now spend more on accounting than research."

From Schumer says, by The San Diego Union-Tribune editorial board (*The San Diego Union-Tribune*, December 1, 2006) (view)

> "Because Sox's goal was to punish all business, its rules hold companies with 40 employees to the same standards as IBM. The American Electronics Association estimates that while Section 404 costs the average multibillion-dollar company about 0.05% of revenue, the figure can approach 3% for small companies."

From Sox and Stocks, by The Wall Street Journal editorial board (*The Wall Street Journal*, April 19, 2006) (view)

Against this position

> "Advocates of big business like to point to a sharp decline in the United States' share of global initial stock offerings between 2000 and 2005, hoping that everyone will infer that the cause was the passage of Sarbanes-Oxley in 2002. In fact, that share had been declining since 1996, even before the Asian financial crisis. It hit bottom in 2001 and has risen since."

From The Corporate End Run, by The New York Times editorial board (*The New York Times*, November 12, 2006) (view)

> "But now is not the time for more ambitious legislation, which would open the door to a loud and probably counterproductive fight over the Sarbanes-Oxley law. Despite its faults, the 2002 reform has done much to improve corporate transparency -- which, in the long run, will keep investors in U.S. markets and maintain a large pool of capital for firms to tap."

From Where Are the IPOs?, by The Washington Post editorial board (*The Washington Post*, March 28, 2007) (view)

> "More importantly, we must not forget that U.S. markets are the best in the world because they are the best regulated. We should not engage in a race to the bottom. Instead, we should lead the world to the top, and we are. Countries are emulating our reforms -- from the new Combined Code in the U.K. to Germany's new Kodex of best practices -- and as a result, we are strengthening the global economy, not being defeated by it."

From In Defense of Sarbanes-Oxley, by Paul Volcker, Arthur Levitt (*The Wall Street Journal*, June 14, 2004) (view)

> "Recent research by the British accounting firm BDO Stoy Hayward found the annual reported instances of business fraud in the United Kingdom jumped by a third last year and the value of the reported fraud rose 40 percent. Many of the listings who fled U.S. markets because of Sarbox have gone to the U.K."

From Sarbanes-Oxley Is a Must, by Rachel Beck (*The Washington Post*, January 12, 2007) (view)

> "It is possible that the extra costs of complying with Sarbanes-Oxley may persuade a small company to stay private, rather than offering its stock to the public. But as finance professor Mike Alderson of St. Louis University points out, "Nobody has provided evidence that Sarbanes-Oxley is interfering with the ability of businesses to invest." For the American economy, that's the real bottom line."

From Cost of cutting red tape not worth the price, by St. Louis Post-Dispatch editorial board (*St. Louis Post-Dispatch*, December 6, 2006) (view)

Mixed on this position

No results