

Sarbanes-Oxley Act / Act should be repealed

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Position: Act should be repealed

This position addresses the topic Sarbanes-Oxley Act.

For this position

“ Republicans and Democrats sent a strong message Monday in rejecting the U.S. Treasury's plan to put up, if need be, \$700 billion to take bad debt off Wall Street's ledger. While it was a well-intentioned move to inject some confidence in the American financial system and forestall greater market deterioration, it left the horrible taste of dirigisme -- economic planning and control by the state -- in the mouths of too many.” ”

From *The bailout falters: A market alternative*, by Pittsburgh Tribune-Review editorial board (*Pittsburgh Tribune-Review*, September 30, 2008) ([view](#))

“ In its four years, Sarbox has damaged the American economy as badly as a group of unsupervised four year-olds would damage a playroom.” ”

From *Cox and Sarbox*, by Mallory Factor (*National Review*, September 19, 2006) ([view](#))

“ More than 700 corporate crimes have been punished and \$250 million in ill-gotten gains restored since 2002, all based on pre-Sarbox laws. We didn't need Sarbox to restore investor confidence in the marketplace. Meanwhile, new foreign issuers of stock have virtually disappeared from the American marketplace, as companies seek out friendlier regulatory environments, such as London.” ”

From *Sarbox Is a Disaster, and Chris Cox Is For It*, by Mallory Factor (*National Review*, October 6, 2006) ([view](#))

“ Sarbanes-Oxley has seriously harmed American corporations and financial markets without increasing investor confidence. The section of the law requiring companies to perform internal audits has turned out to be far more costly than proponents projected, especially for smaller firms. These costs have led some small companies to go private, hardly a victory for public oversight, and some foreign firms to withdraw their stocks from American exchanges.” ”

From *Enron's Last Victim: American Markets*, by William A. Niskanen (*The New York Times*, January 3, 2007) ([view](#))

“ “If New York prods Congress and federal regulators into doing their jobs, companies will soon figure out that the climate for financial-services businesses here has improved - just as they figured out that Sarbanes-Oxley was bad news long before the politicians did.” ”

From Wall Street Woes, by Nicole Gelinas (*New York Post*, January 23, 2007) (view)

“ “Far from increasing the efficiency of capital markets, it will discourage some businesses from going public, since most of its provisions do not apply to privately held companies; will encourage some now-public companies to go private; and will keep some foreign companies out of the U.S. stock market.” ”

From You Can Be Too Careful, by Brian Doherty (*Reason*, January 1, 2006) (view)

“ “According to the University of Rochester’s Ivy Xiyang Zhang, Sarbanes-Oxley has cost “public company shareholders \$1.4 trillion,” not to mention the billions of dollars spent on compliance. These numbers are once again the “seen.” What we don’t know is what investors lost when private companies stayed private in order to avoid the law’s draconian rules.” ”

From Superfluous Sarbanes-Oxley, by John Tamny (*National Review*, February 20, 2006) (view)

“ “The closer you look at Sarbanes-Oxley the more you realize it is almost perfectly designed to crush new business creation. The latest estimate for the annual cost of implementing Sarbox in a public corporation is \$3.5 million. Pocket change for a Fortune 500 company; the entire annual profit of a newly public firm. Is it really any wonder that smart entrepreneurs look for a corporate sugar daddy instead of an IPO?” ”

From The Pump-and-Dump Economy, by Michael S. Malone (*The Wall Street Journal*, December 21, 2006) (view)

“ “In short, the government's theory seems to be: “Why worry? There are no real problems here. If there are, the SEC can take care of them.” But our constitutional system is not structured that way. Unelected commissions should not have the power to regulate, tax, and even punish companies and individuals.” ”

From A Verdict on Sarbanes-Oxley: Unconstitutional, by Kenneth Starr (*The Wall Street Journal*, December 16, 2006) (view)

“ “Mounting evidence shows that the accounting-industry growth generated by Sarbanes-Oxley is coming at the expense of productivity, new jobs, and innovation in the general business world.” ”

From A Tremendously Costly Law, by John Berlau (*National Review*, April 11, 2005) (view)

Against this position

“ “Sarbanes-Oxley has clearly worked. The Dow recently hit an all-time high, our capital markets remain very competitive internationally and compliance costs are falling. So why roll it back? Because corporate America would always prefer less scrutiny, not more. It hopes our memories are short and that with Enron's Ken Lay dead and Jeff Skilling headed to prison, we will close our eyes and let them go back to business as usual.” ”

From No time to weaken corporate oversight, by John R. Kroger (*The Oregonian*, November 28, 2006) (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)

“ "But repairing the corporate governance and accounting rules that surround chief executives is key to avoiding scandals. Much progress has been made in fixing those rules. The Sarbanes-Oxley accounting law, passed two years ago, required companies to improve board independence and created a new regulatory body to oversee auditors." ”

From Beyond the 'Bad Apples', by The Washington Post editorial board (*The Washington Post*, July 9, 2004) (view)

“ "Corporate executives estimate that the law has cost U.S. companies tens of billions of dollars in extra auditing fees and other expenses. Yet the U.S. share of IPOs began falling six years before Sarbanes-Oxley even existed. In 1996 about 60% of all IPOs took place on Wall Street. By 2001, only 8% did. In fact, the U.S. share has on average increased since then, despite Sarbanes-Oxley, to about 15% in 2005." ”

From Plugging the IPO Drain, by Reynolds Holding (*Time*, February 8, 2007) (view)

Mixed on this position

No results

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