



EuropeanIssuers

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**For the attention of  
Ms Leslie F. Seidman  
Acting Chairman of the FASB  
Financial Accounting Standards  
Board, 401 Merritt 7, PO Box  
5116, Norwalk, CT 06856-5116**

Brussels, 15 December 2010

Per e-mail to lfseidman@fasb.org

Re: U.S. Accounting Standards

Dear Ms Seidman,

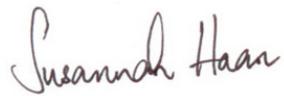
We understand from press reports that the U.S. Financial Accounting Standards Board (FASB) has presented new rules to U.S. companies concerning financial statements about what they might get sued for and how much it might cost them which are scheduled to go into effect today.

Companies being sued in the U.S. already have to say so in financial statements. We understand, however, that the new rules go much further. Firms would thus have to disclose any money set aside for potential settlements; not for each case, but for each type of case. Furthermore companies would have to keep an eye out even for the "remote" possibility of expensive litigation: for example, by watching scientific journals for findings that could later result in lawsuits. Then, once a proceeding has begun, the FASB rules would have companies reporting expert testimony on the potential liabilities they face. They would also have to reveal, in certain circumstances, the amount of insurance they have bought to cover potential damages.

These new rules will often be no better than "guesstimates" of future liabilities. If a firm publishes a high estimate of what a particular type of lawsuit might cost it, no opposing lawyer will settle for less. If it guesses too low, it could be sued for misleading investors. We are concerned that the problems created for listed companies far outweigh the benefits provided to investors. It could even be argued that the burdens imposed on companies negate any benefits intended for investors, with only certain third parties standing to gain from such regulations.

Given the FASB's convergence agenda with the IASB, we are concerned by the potential for these rules to impact our members also. Therefore we would ask you to reconsider these rules.

Yours sincerely,



Susannah Haan  
Secretary General

***EuropeanIssuers** was set up to represent the interests of publicly traded companies in Europe, which are subject to complex rules on issues such as shareholder rights, corporate governance and reporting and market regulations. Our members include both national associations and companies from all sectors in 14 European countries, where there are some 9.200 such companies with a combined market value of some € 5.000 billion.*

*EuropeanIssuers' ultimate goal is to achieve well functioning European financial markets which serve the interests of their users, together with good corporate governance and responsible share ownership. More information can be found at [www.europeanissuers.eu](http://www.europeanissuers.eu).*