

Disclosure of Certain Loss Contingencies — FASB Removes Project From Agenda

July 9, 2012 — The FASB voted today to remove its project on disclosures of certain loss contingencies from its agenda. The Board had added the project in 2007 in response to financial statement users' requests for enhanced disclosures, particularly about litigation. However, constituents strongly opposed the expanded disclosures proposed in the two exposure drafts that were issued as part of the project. The Board ultimately decided to remove the project because (1) disclosures have improved as a result of the SEC's increased focus on entities' compliance with the current disclosure requirements in ASC 450-20,¹ which has in turn precipitated an increase in focus by preparers, auditors, and other regulators, and (2) the FASB's disclosure framework project is intended to address any overlapping issues related to the improvement of financial statement disclosures.

¹ FASB Accounting Standards Codification Subtopic 450-20, *Contingencies: Loss Contingencies*.

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