

107TH CONGRESS
2D SESSION

H. R. 5438

To require the Securities and Exchange Commission to report to the Congress on accounting for intangible assets.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 2002

Mr. DOOLEY of California introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Securities and Exchange Commission to report to the Congress on accounting for intangible assets.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Valuation of Intangible
5 Assets Act of 2002”.

6 **SEC. 2. REPORT REQUIRED.**

7 (a) SEC EVALUATION REQUIRED.—The Securities
8 and Exchange Commission, in consultation with experts
9 and practitioners from industry, academia, the account-
10 ing profession, and investors, shall—

1 (1) evaluate the general usefulness of financial
2 statements prepared under generally accepted ac-
3 counting principles in providing accurate information
4 to investors about intangible assets and operating
5 performance measures;

6 (2) consider the impact that shortcomings in
7 generally accepted accounting principles have on se-
8 curities market volatility, capital allocation, and the
9 ability of investors to make sound judgments about
10 valuation;

11 (3) consider methods to better identify, value,
12 and account for purchased and internally generated
13 intangible assets;

14 (4) examine the general questions surrounding
15 the role of intangible assets in financial reporting in
16 the economy; and

17 (5) examine how enhanced disclosure can be ac-
18 complished without exposing industries or companies
19 to increased litigation.

20 (b) DEADLINE FOR SUBMISSION OF REPORT.—Not
21 later than 9 months after the date of the enactment of
22 this Act, the Commission shall submit a report to the Con-
23 gress on the evaluation required by subsection (a). Such
24 report shall contain a detailed statement of the Commis-

- 1 sion's recommendations, findings, and conclusions, and
- 2 may contain minority or individual member's views.

