

Let the Sunshine In: Proposed New Disclosure Rule by Public Company Accounting Oversight Board

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Abstract

There has been much recent publicity concerning the Securities and Exchange Commission possibly adopting a rule proposed by the Public Company Oversight Board with the goal of increased disclosure. This rule would require companies to disclose more information in their annual reports concerning issues raised by auditors. A recent *Wall Street Journal* article described it as “bringing sunshine to markets.”(Zweig)¹. Will this be good for investors and for accounting firms? Will this increase costs or have other unforeseen consequences? This paper examines some of the advantages and disadvantages concerning the new rule.

¹ Jason Zweig, “New Rule Could Bring Sunshine to Markets,” *Wall Street Journal*, August 18, 2017.