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FOR IMMEDIATE RELEASE

***IMA Supports SEC Proposal to Postpone Small Business Implementation of SOX;
But Issues Remain***

The following are comments from Paul A. Sharman, ACMA, president and CEO, Institute of Management Accountants (IMA®), in response to the SEC's announcement today, proposing a delay in Sarbanes-Oxley implementation for small cap companies.

Montvale, N.J., December 12, 2007 -- The Institute of Management Accountants (IMA®), the world's leading association representing financial and accounting professionals who work inside corporations, supports the proposal made today by Securities and Exchange Commission (SEC) Chairman Christopher Cox to delay for another year the new reporting requirements for small businesses mandated by the Sarbanes-Oxley Act (SOX), Section 404(b). The announcement took place during the House of Representatives Small Business Full Committee Hearing today. Committee Chair Hon. Nydia Velazquez cited a SOX cost study, commissioned by the U.S. Chamber of Commerce in conjunction with IMA, as a key driver in the SEC's announcement today.

The SEC's action is in line with IMA's research, numerous comment letters, public testimony and grassroots advocacy. IMA has advocated a delay of at least one year for small cap companies so that more radical changes, together with a SEC-led cost-benefit analysis and plan to measure success, can be implemented to ensure cost-effective compliance.

While IMA supports Chairman Cox's proposal, we believe that other issues remain:

- There are still no fundamental, systematic changes to create a practical implementation framework for small businesses. Management guidance is vague and not truly risk-based for cost-effective implementation.
- Since there is no practical implementation framework, there has to be reliance on consultants and other third parties.
- The SEC's focus on lowering costs is reasonable, but there is no mention of improving the high prediction error and restatement rates.
- This delay for small businesses actually creates a two-year time gap in which management (e.g., CEOs, CFOs, and Audit Committees) is solely responsible for opining on controls effectiveness, creating potential legal liability.

IMA also has reservations about the SEC Office of Economic Analysis Cost-Benefit survey mentioned in Chairman Cox's proposal. At this stage of SOX 404(a) implementation, small business managers will rightfully have a lack of sophistication and experience to adequately quantify compliance costs and benefits in their first year of implementation. IMA recommends that the SEC use best-practices from the business community to quantify costs and benefits (e.g., process analysis, simulation modeling, etc.)

"Small businesses are vital to America's economy and have created 60 – 80 percent of net new jobs during the past decade. We believe that the above remaining issues would negatively impact the growth, success and global competitiveness of the more than 5,000 U.S. listed non-accelerated filers," said Mr. Sharman.

IMA played a key role in the passage of the *Small Business SOX Compliance Extension Act* earlier this year, as part of the Financial Services Appropriations Act for FY08. Sponsored by Congressman Scott Garrett (R-NJ) and Tom Feeney (R-FL), the amendment extends the amount of time by one year for small businesses to comply with reporting requirements of The Sarbanes-Oxley Act (SOX), Section 404. In addition, IMA has directly testified before Congress and on numerous SEC Roundtables to urge a delay and an adjustment to the rules on financial reporting.

About IMA

With a worldwide network of more than 60,000 professionals, IMA is the world's leading organization dedicated to empowering accounting and finance professionals to drive business performance. IMA provides a dynamic forum for professionals to advance their careers through Certified Management Accountant (CMA[®]) certification, research, professional education, networking and advocacy of the highest ethical and professional standards. For more information about IMA, please visit www.imanet.org.

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