

Commissioner Isaac C. Hunt, Jr.,
It's a Small World After All: The SEC's Role in Securities Regulation Globalization

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Abstract by Ana Drososki and Benjamin Klein

The article discusses the SEC's role both as an agency and as a member of the International Organization of Securities Commissions (IOSOC) in two areas that impact securities regulation on an international scale: preparation of computer systems for Y2K, and the development of a core set of international accounting standards. The author discusses the organization and operation of IOSOC, the SEC's efforts to promote Y2K awareness in the U.S. and abroad, and cites the new Euro conversion as a reason for the delay in Y2K readiness on an international scale. Additionally, the author discusses the creation and approval of international accounting standards. He notes the SEC's authority to establish financial and accounting standards for public companies, as well as the Commission's inability to impose adequate disclosure requirements on foreign issuers selling securities to foreign investors, but notes the efforts made to protect American investors. Finally, the author fleshes out arguments surrounding International Accounting Standards including their potential effects on the U.S. securities market abroad and investment opportunities for all issuers. At this juncture, it remains unclear whether the SEC will adopt an international accounting standard, allow its use in addition to U.S. standards, or pursue other alternative measures.