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**Summary:**

Bloomberg reports the Securities Exchange Commission (SEC) is unlikely to suspend fair-value accounting rules though it is offering concessions in the form of clarifications. Members of Congress, the banking and financial industry have asserted that fair-value (mark-to-market) accounting results in companies reporting losses they do not reasonably expect to incur.

The SEC and Financial Accounting Standards Board (FASB) released clarifications on how to interpret existing rules requiring banks to review assets quarterly and report losses accordingly. The regulators acknowledged that during abnormal markets price quotes are not necessarily the best measure of a security's value. The clarification encourages more reliance on judgments, including expected cash flows, in determining the current value of assets that aren't trading.

Some have alleged that fair-value accounting has contributed to the economic turmoil and volatility roiling markets. In contrast, Federal Reserve Chairman Ben Bernanke supports fair-value accounting and asserts abandoning the rule would erode market and investor confidence.

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SEC, FASB Resist Calls to Suspend Fair-Value Rules

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