

# REVISED - NEW DOCUMENT LOCATION

**DATE:** November 25, 2002

**SUBJECT:** The Sarbanes-Oxley Act of 2002 (SR letter 02-20)

**HIGHLIGHTS:** The recently enacted Sarbanes-Oxley Act of 2002 includes provisions addressing audits, financial reporting and disclosure, conflicts of interest, and corporate governance at public

companies. The Act also establishes new supervisory mechanisms, including the new Public Company Accounting Oversight Board, for accountants and accounting firms that conduct external audits of public companies. The Federal Reserve System's Supervision and Regulation policy letter, SR 02-20, describes the most important provisions of the Act that examiners should be aware of when conducting examinations and inspections of banking organizations that are subject to the Act and supervised by the Federal Reserve. It also provides a general overview of the Act for affected domestic and foreign banking organizations.

Supervisory staff and banking organizations are encouraged to remain current on guidance implementing the Sarbanes-Oxley Act provided by the Securities and Exchange Commission through its regulations and releases. In addition, the Federal Reserve will issue further supervisory guidance as appropriate to assist banking organizations supervised by the Federal Reserve in complying with the Act. As soon as the SEC completes the issuance of all of the rules and guidance required by the Act, additional examination procedures addressing the Act's and SEC's requirements will be developed and disseminated to supervisory staff at the Reserve Banks.

Additional information regarding this matter is included in SR 02-20, dated October 29, 2002.

**DOCUMENT** The SR letter is available under the Board of Governors' web site:  
**LOCATION:** <http://www.federalreserve.gov/boarddocs/SRLETTERS/2002/sr0220.htm>

**FURTHER** Mike DeClue, Assistant Vice President (314) 444-8759  
**INFORMATION:** (or 1-800-333-0810, ext. 44-8759)  
Banking Supervision and Regulation Department