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## **NYSE targets SOX rollback**

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In the face of a difficult market and sharp competition from foreign exchanges, the NYSE is seeking to relax Sarbanes-Oxley rules for small and mid-cap issuers.

Ever since SOX's implementation, the NYSE has steadfastly denied that the increasingly intrusive US regulatory environment was having any impact on the number of companies listing on its exchanges. But as the deadline for small and mid-cap issuers approaches, CEO Duncan Niederauer told the National Press Club the exchange is considering plans to petition Congress to relax the rules. He suggests smaller companies are being driven away from US exchanges and the cost of SOX compliance will be excessive for companies with limited resources.

Michael Oxley, former congressman and co-author of SOX, disagrees, and cites a Lord & Benoit report, which indicates that SOX will cost small companies an average of \$78,000 the first year, \$13,000 less than the \$91,000 initially predicted by the SEC. He feels the costs will not be overly burdensome and reducing shareholder protection is dangerous.

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