



Ms. Nancy Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

**Re: File No. PCAOB-2006-01^{1/} – Amendment No. 2 to Rule Filings
with Respect to the PCAOB's Proposed Ethics and
Independence Rules Concerning Independence, Tax Services,
and Contingent Fees**

Dear Ms. Morris:

The Public Company Accounting Oversight Board ("PCAOB" or the "Board") hereby amends the above-referenced rule filings as described in this letter. At its March 28, 2006 meeting, the Board modified the implementation schedule for certain of its proposed Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees, and instructed its staff to submit this amendment to its prior rule filings to the Securities and Exchange Commission ("SEC" or "Commission") to reflect these adjustments. The implementation schedule for these rules is not part of the text of the proposed rules, and this modification to this schedule in no way alters or amends the text of the proposed rules. Because the Board's earlier rule filings addressed the Board's initial implementation schedule, however, the Board is submitting this amendment to those filings. Enclosed is the Board's release regarding the updated implementation schedule.

^{1/} The original file number for these proposed rules had been PCAOB-2005-02. The Federal Register, however, now identifies the filing number as PCAOB-2006-01. See Public Company Accounting Oversight Board; Notice of Filing of Proposed Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees, 71 Fed. Reg. 12720 (proposed Mar. 13, 2006). Accordingly, the Board is filing this amendment to its prior rule filings under this new file number.

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Amendment to Rule Filings with Respect to the Implementation Schedule for Proposed Rules 3523 and 3524

The Board has updated the implementation schedule for proposed Rules 3523 and 3524 of its proposed Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees.

On July 26, 2005, the Board adopted Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees and established dates on which the respective rules would go into effect if the rules are approved by the Commission.^{2/} On November 22, 2005, the Board adopted an amendment to certain of these rules and, at that time, established new dates on which certain of these rules would go into effect.^{3/} On March 13, 2006, the Commission published the rules in the Federal Register for public comment.^{4/}

One of these rules, Rule 3524, concerns registered public accounting firms' responsibilities in connection with seeking audit committee pre-approval of certain tax services. Specifically, this rule requires certain disclosure, discussion, and documentation when a registered firm seeks audit committee pre-approval to provide to a public company audit client tax services that are not otherwise prohibited by SEC or PCAOB rules. In its November 22, 2005, release, the Board indicated that Rule 3524 will not apply to any tax service pre-approved before 60 days after the date that the SEC approves the rules, or, in the case of an issuer that pre-approves non-audit services by policies and procedures, the rule will not apply to any tax service provided by March 31, 2006.

^{2/} The Board's release adopting the Ethics and Independence Rules Concerning Independence, Tax Services and Contingent Fees may be found on the rulemaking page of the Board's Web site. See PCAOB Release No. 2005-014 (July 26, 2005).

^{3/} See PCAOB Release No. 2005-020 (Nov. 22, 2005).

^{4/} See Public Company Accounting Oversight Board; Notice of Filing of Proposed Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees, 71 Fed. Reg. 12720 (proposed Mar. 13, 2006). Under Section 107 of the Sarbanes-Oxley Act of 2002, Board rules do not become effective unless they are approved by the Securities and Exchange Commission.

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Given that the statutory period for SEC action on these rules extends past March 31, 2006, some questions may arise regarding the dates by which firms should implement Rule 3524. Therefore, in light of the time that has passed since the rule was adopted by the PCAOB and to allow a reasonable transition period for registered public accounting firms, the Board has determined that, with respect to tax services provided to audit clients whose audit committees pre-approve tax services pursuant to policies and procedures, Rule 3524 will not apply to any such tax service that is begun within one year after SEC approval of the rules. This transition period should allow most tax services considered in an annual audit committee review process that occurred prior to SEC approval to proceed without the need for a firm to seek new pre-approval. As provided in the Board's November 22, 2005, release, Rule 3524 will not apply to any such tax service pre-approved on an engagement-by-engagement basis before 60 days after the date that the SEC approves the rules.

Additionally, due to the time that has passed since the rules' adoption, the Board has decided to adjust the implementation schedule for Rule 3523, *Tax Services for Persons in Financial Reporting Oversight Role*. Originally, Rule 3523 had an effective date of the later of June 30, 2006, or 10 days after the date that the SEC approves the rules.^{5/} As the Board stated when it adopted the rule, in practical effect, it will lead to some registered firms terminating recurring engagements to provide tax services and may require certain members of public companies' senior management to find other tax preparers.^{6/} In order to allow for as smooth a transition as possible, the Board will not apply Rule 3523 to tax services being provided pursuant to an engagement in process at the time the SEC approves the rules, provided that such services are completed on or before the later of October 31, 2006, or 10 days after the date that the SEC approves the rules.^{7/}

Combined with the time period since the rules' adoption, the dates outlined in this release should allow reasonable time for affected firms to prepare internal policies and procedures, train their employees to ensure compliance with the new requirements, and, if necessary, terminate or complete any ongoing engagements covered by the rules in a professional manner.

^{5/} See PCAOB Release No. 2005-014 (July 26, 2005), at 48.

^{6/} Id.

^{7/} The effective dates of Rules 3501, 3502, 3520, 3521 and 3522 are not changed by this release and remain as set forth in the Board's July 26, 2005 and November 22, 2005 releases.

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If you have any questions about this filing, please contact me at 202/207-9034 or seymourg@pcaobus.org, or Bella Rivshin, Assistant Chief Auditor, at 202/207-9180 or rivshinb@pcaobus.org.

Sincerely,



J. Gordon Seymour
Deputy General Counsel
and Secretary

Enclosure



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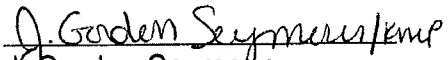


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On the 28 day of March, in the year 2006, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.


J. Gordon Seymour
Secretary

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