



Ernst & Young LLP
5 Times Square
New York, NY 10036

Tel: +1 212 773 3000
ey.com

8 July, 2013

Ms. Phoebe W. Brown, Secretary
Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

PCAOB Rulemaking Docket Matter No. 038 - Proposed auditing standard - related parties, proposed amendments to certain PCAOB auditing standards regarding significant unusual transactions and other proposed amendments to PCAOB auditing standards

Dear Ms. Brown:

EY is pleased to submit comments on the auditing standard the Public Company Accounting Oversight Board (PCAOB or Board) proposed on related parties, the proposed amendments to certain PCAOB auditing standards regarding significant unusual transactions and other proposed amendments to PCAOB auditing standards (collectively, the Reproposal). We continue to support the Board's efforts to update its interim standards. As we said in our letter dated 31 May 2012, we believe that updating the requirements of AU Section 334, *Related Parties*, and adopting other proposed amendments have the potential to improve audit quality.

While we do not necessarily agree with all aspects of the requirements of the Reproposal, we appreciate the Board's detailed description of the results of its deliberations and its rationale for accepting or not accepting various comments. We believe that the Board's commentary assists constituents in understanding the Board's due process. We have one concern with the Reproposal regarding the proposed effective date.

Effective date

The Board proposes that the Reproposal would be effective, subject to approval by the Securities and Exchange Commission (SEC), for audits of financial statements for fiscal years beginning on or after 15 December 2013. We believe that this effective date is operational only if the SEC approves the proposal before 31 October 2013.

Our belief is based on the time we would need to incorporate the new requirements into our methodology and provide necessary training to our staff. Because the requirements of the Reproposal are closely tied to risk assessment procedures, which generally commence early in the audit process, we do not believe that an approval date after 31 October 2013 would afford us sufficient time to implement required changes for audits of fiscal years beginning after 15 December 2013.

* * * * *

We would be pleased to discuss our comments with the Board or its staff at your convenience.

Very truly yours,

Ernst & Young LLP