

Public Company Accounting Oversight Board
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Actuary

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- **Release No. 2021-001**
- **PCAOB Rulemaking Docket Matter No. 048**
- **Proposed Rule Governing Board Determinations under the Holding Foreign Companies Accountable Act**

Dear Sir,

Thank you for giving us the opportunity to comment on your Proposed Rule Governing Board Determinations under the Holding Foreign Companies Accountable Act (HFCAA). You are proposing a new rule to provide a framework for your determinations under the HFCAA that the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. The proposed rule would establish the manner of the PCAOB's determinations; the factors the PCAOB will evaluate and the documents and information the PCAOB will consider when assessing whether a determination is warranted; the form, public availability, effective date and duration of such determinations; and the process by which the PCAOB can modify or vacate those determinations.

I support this proposed rule, which will facilitate meaningful audit oversight, strengthen investor protection, and improve regulatory consistency and transparency.

Answers to specific questions raised by the PCAOB

a. Is it appropriate to limit jurisdiction-wide determinations to registered firms headquartered in the jurisdiction? If not, what should be the scope of jurisdiction-wide determinations under the proposed rule?

Yes. This would be consistent with the HFCAA.

b. Is it appropriate for the Board to look, in the first instance, at registered firms' required filings with the Board to determine where a firm is headquartered? If not, what information should the Board consider to determine where a firm is headquartered?

Yes, it is appropriate to look at registered firms' required filings with the Board to determine where a firm is headquartered.

c. Is the proposed rule's framework of jurisdiction-wide and individualized determinations an appropriate approach to Board determinations under the HFCAA? Does the proposed rule make sufficiently clear the distinction between the jurisdiction-wide determinations contemplated by subparagraph (a)(1) and the individualized determinations contemplated by subparagraph (a)(2)? If not, what additional guidance or clarity would be useful?

I agree with the proposed rule's framework. The distinction is sufficiently clear between the jurisdiction-wide determinations contemplated by subparagraph (a)(1) and the individualized determinations contemplated by subparagraph (a)(2).

d. Is it appropriate for the Board to look, in the first instance, at a registered firm's required filings with the Board to determine where the firm's offices are located? If not, what information should the Board consider to determine where a firm's offices are located?

Yes, it is appropriate to look, in the first instance, at a registered firm's required filings with the PCAOB to determine where the firm's offices are located.

e. As noted in footnote 83, although the HFCAA refers to a "branch or office" of a registered firm, subparagraph (a)(2) of the proposed rule refers only to an "office." Is it appropriate to refer only to an "office" in subparagraph (a)(2)? If not, what distinction should the Board recognize between a "branch" and an "office" in this context?

It is appropriate to refer only to an "office" in subparagraph (a)(2) there is no commonly recognized distinction between a "branch" and an "office" with respect to accounting firms.

f. Is this approach to the timing of Board determinations appropriate? Should the Board take a different approach to the timing of its determinations? Should the Board consider changes in facts and circumstances more or less frequently than annually (e.g., semi-annually or biennially)?

This depends on the context and significance of a particular case. In general, annual should be sufficient.

m. Is subparagraph (e)(2)'s approach to confidentiality considerations clear and appropriate? Are there any other grounds upon which the publicly available copy of a Board report to the Commission might need to be redacted?

This should be the minimum requirement. Again, this depends on the context and significance of a particular case.

n. Besides posting a copy of the Board's report to the Commission on the Board's website, should the Board notify stakeholders about Board determinations under the HFCAA by other

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means? If so, which stakeholders should receive such notice, and when and how should it be provided? Specifically, should registered firms that are subject to a Board determination receive notice of such determination, and if so, when and how should it be provided?

No, the PCAOB should not notify stakeholders about PCAOB determinations under the HFCAA by other means.

o. Should the Board continue its practice of publishing the Denied Access List on its website? If so, should any changes be made to the Denied Access List to avoid potential confusion with the Commission's identification of covered issuers under the HFCAA or with the disclosures provided by covered issuers under the HFCAA and the Commission's rules?

The PCAOB should continue its practice of publishing the Denied Access List on its website without modification.

Yours faithfully

C.R.B.

Chris Barnard