

November 2, 2023

Office of the Secretary Public Company Accounting Oversight Board

Via Email: [comments@pcaobus.org](mailto:comments@pcaobus.org)

**Re: PCAOB Release No. 2023-007 - Proposed Amendments to PCAOB Rule 3502 on Contributory Liability Standards**

Dear Chair Williams,

On behalf of the Chamber of Digital Commerce, we appreciate the opportunity to provide comments on the Public Company Accounting Oversight Board (PCAOB)'s proposed amendments to Rule 3502 concerning the standards of contributory liability.

The Chamber is the world's largest digital asset and blockchain trade association. The Chamber represents more than 200 diverse members of the blockchain industry globally, including digital asset exchanges, leading accounting firms, and other digital asset economy participants.

We recognize the PCAOB's intent to rectify the incongruity where firms, acting through individuals, can be found negligent, yet those individuals are held accountable only if their conduct reaches the higher threshold of recklessness. The effort to align individual liability with firm liability is clear and understandable. However, the proposed amendments may inadvertently create barriers for smaller audit firms and those servicing emerging industries such as digital assets. The lowered threshold of negligence could significantly elevate the risk profile, thereby possibly deterring such firms from engaging with innovative sectors where the regulatory and legal frameworks may still be evolving due to the fear of increased liability.

Furthermore, the broader scope of liability could also potentially stifle collaborative efforts within audit firms, especially in complex audit scenarios often encountered in emerging industries. We believe the proposal's potential chilling effect on smaller firms and those servicing emerging, and innovative sectors warrants careful consideration. It is imperative to strike a balanced approach that upholds the integrity of the auditing profession while fostering an environment conducive to innovation and growth.

We recommend that the PCAOB consider conducting a thorough impact assessment, particularly on smaller audit firms and those servicing emerging industries, to better understand the proposal's potential impact on these firms and the level of increased risk of market consolidation risk to ensure that the proposed amendments do not inadvertently stifle innovation and growth in these crucial sectors.

We appreciate your consideration of our comments and remain available for further discussion.

Sincerely,

Cody Carbone  
Vice President, Policy  
Chamber of Digital Commerce