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January 26, 2004

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW, 9th Floor
Washington, DC 20006

Re: *Rulemaking Docket Matter No. 013, PCAOB Release No. 2003-024, Proposed Rules Relating to the Oversight of Non-US Accounting Firms*

PricewaterhouseCoopers ("PricewaterhouseCoopers")[1] appreciates the opportunity to comment on the Board's *Proposed Rules Relating to the Oversight of Non-U.S. Accounting Firms*, as set forth in Release No. 2003-024 dated December 10, 2003 ("Release"). We support the efforts of the Public Company Accounting Oversight Board (the "Board") to restore investor confidence. We also commend the Board's efforts to establish cooperative means of working with foreign regulators with respect to the inspection and discipline of foreign public accounting firms that are subject to the Board's jurisdiction.[2] We have reviewed the proposed rules of the Board and have the following comments. Following our comments, we also set forth a summary of our suggested revisions to the proposed rules.

Summary of Position

As discussed in more detail below, PricewaterhouseCoopers believes that:

- The Board's proposals regarding amendments to the registration rules need to separate the registration process from the proposed inspection process;

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1 PricewaterhouseCoopers refers to the network of member firms of PricewaterhouseCoopers International, Ltd., each of which is a separate and independent legal entity.

2 Pursuant to Section 106(a) of the Sarbanes-Oxley Act and the Board's Rule 2100, all foreign public accounting firms that provide audit reports on U.S. public company issuers, or who play a substantial role in such audits, are required to register with the Board. We understand the proposed rules to apply only to registered public accounting firms and not to other accounting firms who are not registered but may be required to provide information or work papers pursuant to section 106(b) of the Act or the associated person consent requirement of Form 1, pt. VIII.

- The Board should develop cooperative inspection systems with foreign regulators based on information obtained through direct regulator-to-regulator discussions; foreign firms should not be required or expected to initiate the process, provide information about their own regulatory system, or assess the effectiveness of their home country regulators;

- The oversight role of the Board in relation to the local regulatory authority requires clarification. The proposed rules may lead to dual oversight of a firm without further definition of the respective roles of the Board and the local regulator;

- The rules for inspection of foreign firms, whether conducted by the Board or in conjunction with a foreign regulator, need to take into account legal impediments under foreign law that could impact such inspections;

- The rules regarding reliance on foreign disciplinary proceedings or sanctions should be structured to protect the due process rights afforded to the firms under U.S. law, including rights of appeal to the SEC; and

- The Board's statement of principles on cooperation with foreign regulators in their oversight of U.S. accounting firms similarly needs to be clarified in a number of respects, including providing clarity on how the regulators will interact and how the system will preserve the protections and rights available to U.S. firms under applicable U.S. law.

Proposed rule amendments regarding registration by foreign public accounting firms

PricewaterhouseCoopers supports the proposed amendment to Rule 2001 to extend the deadline for registration by foreign public accounting firms by 90 days to July 19, 2004.

The proposed registration rule amendments also provide for addition of exhibit 99.3 to Form 1. This exhibit provides an optional means for a foreign public accounting firm to provide basic information about its home country regulator. PricewaterhouseCoopers does not object to provision of this information as such. We believe it would be useful to the Board to know (to the extent it does not already) who the relevant regulatory body is in the home country of the foreign firm. That information likely will facilitate the process of developing cooperative relationships between the Board and the foreign regulator.

The Board indicates, however, that this exhibit should be used by a firm that "expects to petition the Board" to permit reliance on home country inspections under proposed Rule 4011.

(Release No. 2003-024, at 5.) By implication, a foreign public accounting firm must decide as part of its registration process whether or not it expects to ask the Board to initiate a review of possible cooperative inspection systems. As discussed below, PricewaterhouseCoopers believes that it should not fall upon foreign public accounting firms to initiate the cooperative process.

In any event, we believe that the registration and cooperative inspection process for foreign firms should not be linked. We believe that exhibit 99.3 should be eliminated from the registration form, in which case the firms in each registering territory, if they wish to do so, can separately submit the names of their regulators to the Board. If, however, the Board decides to retain 99.3 as the method for a firm to identify its regulator, the rules should make clear that if a foreign firm files exhibit 99.3, that will not create any implication or expectation that it will or will not petition the Board for a cooperative inspection system.

Proposed rules regarding inspections of registered foreign public accounting firms

PricewaterhouseCoopers believes that the proposed rules for cooperative inspection systems between U.S. and foreign regulators represent a constructive response to the concerns of non-U.S. regulators and foreign accounting firms. Regulators and firms both expressed concerns about the implications of a U.S. regulatory body exercising "extraterritorial" regulatory power over firms that were not organized or located in the United States, and which were regulated by authorities in their home countries. As the Board acknowledges, many foreign regulatory authorities have effective regulatory structures and many, like the EU and Canada, are putting in place enhanced regulatory bodies. The Board also appropriately recognizes that it may not be the most productive use of its resources to conduct full inspections of foreign public accounting firms that may perform relatively few audits of U.S. issuers. It also correctly recognizes the difficulties of attempting to conduct inspections in foreign nations, given language barriers and other difficulties.

The Board outlines, in general terms, reasonable principles for determining when and to what extent the Board should defer to foreign regulators and for assessing whether reliance on foreign regulators to perform some or all of the inspection function is warranted. However, we believe that the proposed inspection system should be revised to address several key issues.

The Board should assess the effectiveness of a home country regulator and develop cooperative inspection systems based on direct regulator-to-regulator discussions. Foreign firms should not be required or expected to initiate the process, provide information about their own regulatory system, or assess the effectiveness of their home country regulators.

Proposed Rule 4011 provides that a registered foreign public accounting firm may petition the Board for an inspection that relies upon an inspection by a foreign regulator. The

rule contemplates that the firm's petition would provide detailed information about "the non-U.S. system's laws, rules or other information to assist the Board in evaluating such system's independence and rigor." (Release No. 2003-024 at 9.)

PricewaterhouseCoopers believes that this rule should be modified to provide that consideration of a cooperative inspection system, including the exchange of relevant information to assist the Board in its determinations, should be initiated and conducted through direct regulator-to-regulator discussions. We do not believe that it is appropriate to insert a foreign public accounting firm into this process by requiring it to initiate the process by petition. Nor do we believe that it is appropriate or necessary to make the foreign public accounting firm provide information for the Board to consider in deciding whether, and to what extent, it will rely on inspections by foreign regulators. There are several related reasons for this view:

- We believe that it is likely that, regardless of the information supplied by a foreign public accounting firm, the Board will seek to obtain information directly from the relevant non-U.S. regulator in order to assess its system. Indeed, the Release appears to contemplate just that. It refers to "discussions with the appropriate entity or entities within the non-U.S. system concerning an inspection work program" as among the information it will consider. (Release No. 2003-024 at 9.) It also makes clear that any decision to rely on foreign inspections will depend on extensive discussions with the foreign regulator regarding the inspection work process. (*Id*. at 13-14.) In that circumstance, it is difficult to see what benefit is derived from first obtaining a description and assessment of the foreign regulatory system from the regulated entities. Even if such initial information is obtained, it is likely that the Board will ask the foreign regulator to comment on and verify the firm's characterizations.

- The requirements for the petition require the regulated entity – the foreign accounting firm – to tell the Board how its home country regulatory system works. By definition, such information will be less authoritative than a description by the regulator itself. Moreover, the foreign regulator is much more likely than individual firms to be able to provide information relating to the principles that the Board indicates it will consider in evaluating the "independence and rigor" of the home country system. This is especially true for matters relating to adequacy and integrity of the system, independence, transparency, and, most importantly, historical performance.

- The petition process may require the registering firm to make subjective or qualitative judgments about the effectiveness of its home country regulatory systems. If so, the process will create problems:

- The foreign firm's relations with its home country regulator could be impaired if the home country regulator disagreed with aspects of the foreign firm's description of how its home country system worked. It is not difficult to imagine that a home country regulator would not view favorably descriptions of its system that the regulator felt were unduly critical or negative.

- In order to avoid this dilemma, foreign firms may feel pressure to present a positive picture of the home country regulatory system that will not be accepted by the Board. Based on such perceived pressure, we recognize the difficulty that the Board might have in accepting the firms' assessments. In addition, the result could be that both the foreign regulatory system and accounting firms regulated under it will be deemed "tainted" by a negative conclusion by the U.S. accounting regulator. We do not believe that such an outcome serves the goals of generating confidence in the oversight of the auditing profession.

- Aside from these generalized concerns, asking foreign firms to provide information about their home country regulatory system could potentially require them to make subjective assessments about how the system has been applied to them. A firm's opinions about the adequacy of its home country regulatory system and the effectiveness of the foreign regulators may not be viewed as objective.

In light of these considerations, a system that is based on direct regulator-to-regulator consultations between the Board and foreign regulators is preferable. The Board would obtain first-hand information from a foreign regulator about how its system works, how effective the regulator believes it has been, to what extent it satisfies the principles identified by the Board, and how the regulator believe that it can cooperate with the Board in carrying out the Board's inspection program. It is not necessary to compel the firms to stand in the middle of this process. Plus, for the reasons cited above, it is foreseeable that at the end of the day, the Board will find submissions by the firms to be less useful.

The procedures for the Board's evaluation of foreign country regulatory systems should be revised in certain respects.

PricewaterhouseCoopers also believes that several aspects of the proposed process for cooperative inspections need revision, regardless of whether foreign regulators or the firms themselves provide the relevant information to the Board. These include the following:

- The proposed rules articulate a list of five general principles the Board will consider in making its determinations (*see* Proposed Rule 4011(c)(ii)) and provides some guidance about what factors it will take into account with respect to each. (Release 2003-024 at 12.) The Board also indicates that, after it makes its determination about the effectiveness of the foreign regulatory system, it will also consider the degree and nature of cooperation that the foreign regulator is willing to provide. (*Id*.) The rules do not describe how the Board will weigh or assess these various factors and considerations. Indeed, the Board reserves complete discretion to decide what factors it will decide are relevant and the degree of deference it will accord the foreign system based on whatever grounds it chooses. (*Id*. at 12.) We believe the Board should set forth in more detail exactly how it will weigh the relevant factors and make its determinations.[3] The Board should also establish a mechanism for reconsideration or review of these determinations.

- In enumerating the considerations it will consider as part of its process, the Board requires that a foreign system replicate the U.S. PCAOB model in most particulars in order to receive full deference. For example, the Board looks to whether the foreign regulator (i) has power to conduct inspections, initiate disciplinary proceedings, impose sanctions and adopt ethics and independence rules; (ii) is composed of government appointees a majority of whom are not public accountants and has independent operating and administrative authority; (iii) has an independent source of funding; and (iv) has independent rulemaking authority. (See Release 2003-024, at 10-11.) In particular, it appears that in the case of each of these factors, the Board considers any form of self-regulation by accountants or participation, even indirect, in the regulatory process by accountants, to be a substantial negative consideration. (*Id*.) We believe the Board should adopt a more flexible approach. It should be prepared to accept evidence of the effectiveness of the foreign system even if in certain respects it does not follow the U.S. model exactly. The Board should not *per se* preclude full reliance on foreign inspections just because the foreign regulatory structure permits some degree of self-regulation or participation by accountants in the regulatory structure or rule-making. Instead, the Board should assess objectively whether this kind of involvement in fact raises material doubts about the effectiveness of the foreign inspection. Further, we believe that an additional category should be added: the regulator's understanding of US GAAS and GAAP. If the inspection relates to a

[3] In any event, we believe the rules should be modified to include the more detailed discussion of the considerations that the Board would take into account as set forth in Release No. 2003-024 at A2-3 to A2-5. As a matter of notice and administrative procedure, we think that it is appropriate for the actual rules themselves to set forth the relevant criteria.

firm's work on an SEC registrant, it is important that the regulator understand the standards that apply to such work.

- The proposed rule requires each firm that wishes to ask the Board to rely on home country inspections to separately petition the Board and also contemplates that the Board will make individualized determinations as to each firm. (Proposed Rule 4011(a); Release 2003-024, at 9.) We believe that this provision is not feasible and likely to result in inefficiencies and disparate treatment among firms in the same country. If some firms in a country petition and others do not, then Board will find itself in an awkward position. It will be required to conduct full inspections itself on some firms. As to other firms, it will have to decide to rely on local inspections or elect not to rely on such inspections notwithstanding its findings regarding the effectiveness of the non-U.S. system. Such a result would be inefficient for the Board and presents the possibility that different accounting firms in the same country will be subject to different inspection regimes. Instead, the Board should make a decision regarding the degree to which the foreign regulatory system satisfies its criteria and apply it across-the-board to all inspections of all firms in a given country. This also provides another reason to support a direct regulator- to- regulator dialogue.

- We believe that there is a need for clarification on coordination between the Board and local oversight bodies relating to inspections. Our concern is whether under current proposed rules both oversight bodies could carry out inspections that could result in different – and perhaps conflicting – outcomes. We think the Board should endeavor to develop a cooperative inspection process that prevents to the maximum extent possible duplicative regulatory systems and that minimizes the potential inconsistencies, burdens, and costs to foreign firms of compliance with both home country and Board regulation.

- The proposed rule needs to provide for confidentiality of the information provided by firms in connection with petitions to rely on foreign regulator inspections. Rule 2300, which governs confidentiality for registration applications, does not appear to apply here . Nor do the Board's rules regarding confidentiality of inspection information. As noted above, it is problematic to put firms in the position of making qualitative judgments about the effectiveness of their home country regulators. This problem will be compounded if these assessments are made public (other than to the petitioning regulators and affected firms), especially if the Board ultimately does not accept the firm's assessments.

- The proposed rule does not require the Board or its staff to explain the basis for its decisions regarding the effectiveness of the foreign regulatory system or for its

determinations of the scope of reliance on the foreign inspection process. The rules should require such an explanation to the local regulators and impacted firms and also provide a means for review of the Board's determinations. Any such explanation should, of course, protect the confidentiality of information about individual firms or associated persons of such firms to the extent the Board obtains such information or considers it as part of its overall consideration of the effectiveness of a foreign regulatory system.

- The proposed rule should provide for periodic re-evaluations based on changes in the foreign regulatory systems or new information about how the regulatory system is working. Assuming that the trend will be for foreign regulatory regimes to become more effective, that will work in the Board's favor by allowing it to rely increasingly on foreign inspections. The rules should provide explicitly for such ongoing considerations, perhaps on an annual or bi-annual basis.

The proposed rules need to take account of legal impediments on foreign regulators which prevent them from disclosing information.

Any system of regulation of foreign public accounting firms needs to take into account the limitations imposed by local law on the ability of the accounting firms to disclose information. Depending on the country and the information sought, local law may prohibit disclosure of information about audit clients to any third party, including potentially even local regulators. Even where there may be exceptions to permit local regulators to obtain information, that exception may not apply to a foreign – that is, U.S. – regulator. Thus, even if the Board is allowed to conduct inspections of foreign accounting firms directly in the foreign firms' home countries, it would be required to abide by the applicable legal limitations in each country.

Nor would local law in all cases permit the local regulators to turn over such information to a U.S. regulator. In fact, it will be the case in some countries that while a firm may be able to disclose information to its local regulator without breaching any local laws, the local regulator may not be able to disclose such information to the Board. While there may be a local legal obligation on the firm to make disclosures to its local regulator and this would not put it in contravention of other local laws, there may be no such protection in relation to a disclosure outside the jurisdiction. If consent is required, it may also be the case that while consent has been given for the local transfer, it may not have been given for any extra-territorial transfer, and local law cannot compel this.

For example, in the UK, a firm would not contravene the Data Protection Act 1998 by disclosing information to its local regulator. Depending on the circumstances of the proposed transfer of information, the local regulator may not have sufficient grounds for agreeing to the onward transfer of the information to the United States, and, therefore, if it did so, it would be in

breach of the Data Protection Act 1998. France provides another example. The French *Autorité des Marchés Financiers* and the newly-established *Haut Conseil du commissariat aux comptes* have the power to obtain information and documents, including audit workpapers, from a firm, but no ability to share such information and documents with the Board unless a treaty or agreement is entered into between the two regulators or their respective governments Any such sharing would be entirely within the discretion of the French authority concerned and not subject to any influence or control by the firms.

The Board has previously recognized that foreign public accounting firms may be subject to legal impediments that preclude them from complying in all respects with the Board's information requirements. (*Registration System for Public Accounting Firms*, Release No. 2003-007, at 8 & n. 14.) Rule 2105 provides a mechanism for firms to present information regarding these impediments as they affect registration.

However, the Board's proposed inspection rules do not take into account the potential impact of these legal impediments on the proposed inspection process. Indeed, the Board indicates that the it will give great weight to a foreign regulator's willingness to provide to the Board its work papers or work product with respect to any inspection, evaluation or testing. (Release 2003-024, at 13.) That should not be the case where local law prohibits such exchanges and, where the Board would not have power itself to overcome such limitations.[4]

With respect to legal impediments, we would expect the Board to work with the local regulators to identify and address, to the extent possible, the legal impediments, while still recognizing the fundamental principles of the local law. Accordingly, we request that that the Board adopt a procedure, comparable to that in Rule 2105, that allows foreign firms or regulators to demonstrate that there are legal impediments to inspection by the Board. The procedure should also provide for a means by which the Board may rely on inspections by foreign regulators, notwithstanding the legal impediments that may prevent the regulators from providing access to work papers or other information.

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[4] PricewaterhouseCoopers believes that the best solution to this issue is the creation of agreements between the Board and a home country regulator with respect to inspection procedures, comparable to those entered into between the U.S. SEC and foreign securities regulators with respect to multi-jurisdictional securities investigations, if those are consistent with applicable law in the affected foreign nation. Another example of such an arrangement is the US-German Antitrust Accord which has led to effective cross-border cooperation. The point of our comment is that the Board needs to be cognizant of and take into account these limitations as it seeks to implement a cooperative oversight program.

Proposed rules on disciplinary proceedings and sanctions

Proposed Rule 5113 allows, but does not require, the Board to rely in appropriate circumstances on the disciplinary proceedings, including investigations, and sanctions imposed by the home country regulators of a registered foreign public accounting firm. The Board retains discretion to conduct its own disciplinary proceedings and impose its own sanctions if circumstances require. (Release 2003-024 at 14-15.)

We do not disagree that the Board must retain its authority to act independently of the foreign regulator. By the same token, in order to rely on foreign regulatory actions, the Board should make sure that any registered foreign public accounting firm receives the same level of due process and procedural protection that it would in an investigatory proceeding conducted directly by the Board. Both section 105 of the Sarbanes-Oxley Act and section 5 of the Board's Rules prescribe detailed procedures that must be followed in investigations and to impose disciplinary sanctions. These procedures provide substantial due process protections for the rights of accounting firms and associated persons. We believe that equivalent protections are appropriate so that investigations that may involve foreign regulators are handled in a similar manner and firms are afforded comparable protections.

Accordingly, we recommend that the proposed rule should be modified and clarified in certain respects:

- The Board should rely on foreign investigations, discipline or sanctions only when the Board has first made a finding that the foreign procedures and due process protections are comparable to those provided by the Sarbanes-Oxley Act and the Board's detailed procedures. Any person who may be affected by such investigations or disciplinary actions should have notice and the opportunity to be heard by the Board on the question of whether the foreign procedures are adequate.

- The rules should make clear that the Board may rely on the investigation or sanctions of the foreign regulator only to the extent that the conduct at issue arises from the foreign firm's audit of a U.S. issuer (or otherwise bears on the suitability of the foreign accounting firm as a registered entity in the United States). In other words, we believe that it would be inappropriate for the Board to impose sanctions under U.S. law on registered foreign public accounting firms or associated persons of those firms for conduct that is unrelated to its audits of U.S. issuers.

- The rules should be clarified to reflect that to the extent the Board adopts a foreign regulatory sanction as its own, the foreign public accounting firm that is the subject of such sanction will have the same rights of review of the decision

(including reconsideration or appeal to the SEC) as the firms would have of any sanction imposed directly by the Board.

Board cooperation with non-U.S. regulators' oversight of U.S. accounting firms

The proposed rules discussed above relate to the implementation by the *U.S.* regulator (the Board) of its inspection and disciplinary rules with respect to registered *foreign* public accounting firms. The Board in its proposing release also addresses the obverse situation – where a *foreign* regulator seeks the *U.S.* regulator's help in carrying out its responsibilities with respect to a *U.S.* registered public accounting firm. In that situation, the U.S. public accounting firm might be subject to regulation by the non-U.S. regulator because the U.S. firm engages in regulated audit activities with respect to a company whose securities are listed in a foreign country.

In the release, the Board sets forth the principles under which it will cooperate with non-U.S. regulators to the extent that those regulators seek to exercise oversight responsibilities over U.S. registered public accounting firms. PricewaterhouseCoopers does not object in concept to the Board's approach.

However, while the Board does not believe it necessary to propose specific rules to implement this process (Release No. 2003-024 at 15n.13), we believe that the process should be clarified in some respects, by rule or otherwise.[5] Any process by which the Board provides assistance to foreign regulators needs to be implemented in a manner that does not compromise the substantive or procedural rights and protections that registered accounting firms and their associated persons have under the Sarbanes-Oxley Act and the Board's Rules. In particular, we believe that the rules should make clear the following:

- As a condition of any cooperation with foreign regulators, the Board needs to establish that the foreign regulators will provide a level of confidentiality of information relating to the inspections, investigations or sanctions comparable to that required by the Sarbanes-Oxley Act and the Board's Rules. It would be inappropriate for the Board indirectly to disclose such information by sharing it with foreign regulators when it cannot do so itself.

[5] In addition, there may be issues of the Board's statutory authority under the Sarbanes-Oxley Act to provide information or other assistance to foreign regulators to the extent that information or assistance is not sought in connection with a proceeding related to the compliance of a firm with U.S. professional standards or laws.

- In circumstances where the Board has been asked by a foreign regulator to assist in the foreign regulator's oversight of a U.S. firm and its associated persons, the Board should adopt procedures to give the firm and/or affected associated persons the opportunity to address whether the procedures are fair and protect the U.S. firm's rights. The concerns of confidentiality and extension of regulatory jurisdiction in specific circumstances are important. Therefore, the Board should propose rules in this area and provide the firms with an opportunity to comment on the proposal.

PricewaterhouseCoopers' suggested revisions to the proposed rules

For the reasons set forth above, we urge the Board to consider revising the proposed oversight system as follows:

1. **The Board will evaluate the effectiveness of foreign regulatory systems and develop cooperate inspection systems based on direct regulator-to-regulator communications. The registration process should be separated from inspection – information about regulators should be provided separately. A registered foreign public accounting firm may provide the identity and address of its regulator but will not be required to provide any other information about its regulatory system. Provision of such information will not indicate anything with respect to the inspection process – it is merely information provided for the Board's convenience.**

2. **Any system of cooperative inspections or other forms of cooperation between the Board and a foreign regulator will apply to all registered foreign public accounting firms in that jurisdiction.**

3. **The Board will not rule out deferring to foreign regulators simply because the foreign system has elements of self-regulation or otherwise because it does not follow in all respects the PCAOB model.**

4. **In developing a cooperative oversight system with foreign regulators, the Board will seek to minimize duplicative regulation to the maximum extent possible and to minimize the potential inconsistencies, burdens and costs to foreign public accounting firms of compliance with two systems of regulation.**

5. **The Board will maintain the confidentiality of all information submitted to it by firms or foreign regulators with respect to the effectiveness of the foreign regulatory systems.**

6. The Board will explain to the regulators and firms involved its determinations regarding whether and to what degree it will defer to non-U.S. regulators in the inspection process, although it will maintain the confidentiality of any information regarding actions with respect to particular firms or associated persons of such firms. It will provide a means for firms and/or foreign regulators to obtain review of these decisions.

7. The Board will adopt a process for periodic re-evaluation of the cooperative inspection systems.

8. The Board will acknowledge where necessary the limitations imposed by foreign law on disclosure of information to the Board but still consider reliance on non-U.S. inspections in those circumstances. The Board will adopt procedures to permit firms or regulators to submit information about the foreign legal impediments.

9. Conversely, the Board will not rely on foreign inspections unless it is satisfied that the foreign regulator is subject to procedures regarding the confidentiality of inspection reports and other information developed in an inspection that are at least as protective as the Board's procedures.

10. With respect to the regulation of the US firms, the Board will rely on foreign investigations, disciplinary proceedings and sanctions only to the extent that they contain due process protections comparable to those available to firms and associated persons under the Board's rules. Any person subject to sanctions based on foreign regulatory action will have the same rights of review by the Board or the SEC that they would if the regulatory actions were taken directly by the Board.

11. The Board may cooperate with the oversight activities of foreign regulators with respect to U.S. public accounting firms that audit companies in other countries. In connection with such cooperation, at a minimum, foreign regulators will be required to maintain adequate confidentiality safeguards comparable to those provided under applicable U.S. law. The Board should

propose additional rules to clarify how the Board's cooperation would work in practice.

We will be pleased to discuss any of our comments or answer any questions that you may have. Please do not hesitate to contact Richard R. Kilgust at 646-471-6110 regarding our comment letter.

Very truly yours,

PricewaterhouseCoopers