



Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803
United States of America

December 12, 2011

Ladies/Gentlemen:

We are pleased to submit our written comments on the Concept Release on Auditor Independence and Audit Firm rotation.

Autoliv is a domestic registrant, based in Stockholm, Sweden. Our company is a worldwide leader in automotive safety, a pioneer in both seatbelts and airbags, and a technology leader with the widest product offering for automotive safety. All the leading automobile manufacturers in the world are our customers. We service them from more than 80 subsidiaries and joint ventures in 29 countries. We employ 48,000 people, of whom 4,500 are in the United States and the majority are in emerging markets. Our company has operations spread around the world and operates as a truly global company.

Auditor independence, objectivity and professional skepticism are important to ensure confidence in the financial system and in the accounts which have been audited. We fully support efforts to do so. We believe that much has been done in recent years to improve such confidence. Improvements in the role of audit committees and the interactions with auditors have certainly helped protect shareholder's interests. We believe that further alignment between independent auditors, independent audit committees, independent authorities (including the PCAOB) and public company shareholders would improve confidence. We do not believe that weakening the role of audit committees is appropriate.

We do not believe that mandatory firm rotation would help build confidence in financial statements nor in the financial systems. It would reduce the impact of effective audit committees with a requirement that has not proven to increase audit quality. We believe that audit partner rotation sufficiently addresses the concern for obtaining a fresh look by the auditor.

Mandatory firm rotation would be a very significant burden on registrants. The time and cost involved in changing auditors are substantial. Aside from the steep learning curve on the side of new auditors, there is a very intensive support required of management and the company to inform the new auditors of the company's process and procedures. We believe that management of public companies would be distracted from operations while trying to educate the new auditor about its business. This is not only true at group headquarters, but in each of the subsidiaries in jurisdictions across the world. Many of these jurisdictions have statutory audit or other listing requirements which add significant complexity to the duties and tasks of a

company and of an auditor. We see a trend also among other companies to globalization – resulting in ever more complex corporate structures, internal control and information technology systems and risk management processes. In such environments, auditors with a deep understanding of their clients’ operations and a focus on high quality work are needed to be able to address risks both appropriately and efficiently. Even so, auditors might be less motivated at end of their period and new auditors will need time to understand the business as soon as possible at the beginning of their periods. In a globalized company with increasing business in new markets this will create a transition period which could create lower quality in high risk environments. We believe that mandatory audit rotation is detrimental to both audit quality and efficiency.

Audit committees are currently empowered to serve in the shareholders’ interests to ensure independence of auditors. We believe that they should continue to be empowered because they best understand the needs of the shareholders and the risks of the public companies which they serve – without being part of operational management. We do not believe that mandatory retendering of audits, compulsory joint audits, alternative payment models or further limiting permissible non audit services would be useful. We believe that mandatory retendering and compulsory joint audits would add unnecessary cost and also detract auditors and management from what they are really meant to be doing: auditing and managing, respectively.

It is certainly useful and necessary to understand the root causes of audit failure when it has occurred. The current proposals with regard to auditor independence and audit firm rotation do not appear to address such root causes appropriately.

Very truly yours,



Jan Carlson
President & CEO
Autoliv Inc.



Robert Alspaugh
Chairman Audit Committee
Autoliv Inc.



Mats Wallin
V.P. Finance & CFO
Autoliv Inc.