

Board Proposes Rules for Periodic Reporting by Registered Accounting Firms

Washington, DC, May 23, 2006 -- The Public Company Accounting Oversight Board voted today to propose rules for annual and special reporting of information and events by accounting firms that are registered with the PCAOB.

Section 102(d) of the Sarbanes-Oxley Act of 2002 provides that each registered public accounting firm shall submit an annual report to the Board, and may also be required to report more frequently, to provide information specified by the Board or the Securities and Exchange Commission.

The reporting framework proposed by the Board includes two types of reporting obligations. First, the proposal would require each registered firm to provide basic information once a year about the firm and the firm's issuer-related practice over the most recent 12-month period. Second, the proposal identifies certain events that, if they occur with respect to a registered firm, must be reported by the firm within 14 days.

The Board also voted to propose rules that, in certain circumstances, would allow a successor firm to succeed to the registration status of a predecessor firm following a merger or other change in the registered firm's legal form.

The rules are intended to minimize disruption of a firm's registration because registration is essential to a firm's ability lawfully to audit issuers, and an issuer's compliance with federal law and regulations depends upon its auditor being registered with the PCAOB.

The proposed rules would allow a firm to succeed outright to a predecessor's registration in certain circumstances without any disruption in registration status. In other circumstances, the proposed rules would allow for temporary succession for a transitional period of up to 90 days while the firm seeks registration.

The Board will seek comments on the proposed rules for 60 days and will carefully consider all comments received. Following the close of the comment period on July 24, 2006, the Board will determine whether to adopt final rules, with or without amendments. Any final rules adopted will be submitted to the SEC for approval.

The text of the rules can be found on the Board's Web site, www.pcaobus.org, on the [Rulemaking Docket](#) under Rules.

Media Inquiries: Public Affairs, 202-207-9227

The PCAOB is a private-sector, non-profit corporation, created by the Sarbanes-Oxley Act of 2002, to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports.

News & Events Headlines

Events

- [PCAOB and SEC Roundtable on Internal Control Reporting Requirements](#)
- [Forum on Auditing in the Small Business Environment](#)

News

- [Board Proposes Rules for Periodic Reporting by Registered Accounting Firms](#)
- [Board Announces Plan to Improve Implementation of Internal Control Reporting Requirements](#)
- [Nominations Due June 16 for Standing Advisory Group](#)
- [Board Issues Statement Regarding 2006 Inspections](#)

What's New

- [View a list of web site updates or join the mailing list.](#)

News & Event Archives

Webcasts

- [Listen to web casts of past Board, Standing Advisory Group, and roundtable meetings.](#)