



Ganesh Moorthy  
President & Chief Executive Officer  
[ganesh.moorthy@microchip.com](mailto:ganesh.moorthy@microchip.com)  
(480) 792-7184 (office)  
(480) 792-7456 (fax)

August 1, 2023

**VIA EMAIL ([comments@pcaobus.org](mailto:comments@pcaobus.org))**

Public Company Accounting Oversight Board  
166 K Street NW  
Washington, DC 2006-2803

**Re: *PCAOB Rulemaking Docket 051: Concerns regarding Amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations***

Dear PCAOB:

I am writing on behalf of Microchip Technology Incorporated (Nasdaq: MCHP) to express our concerns with the PCAOB's proposal to expand auditors' scope of responsibilities for considering noncompliance with laws and regulations. We note that others in the industry have expressed their concerns as well, including two of the PCAOB board members (both CPAs), Ernst & Young (in a press release dated June 29, 2023), and the Audit Committee Council.

We believe that the proposed rules are problematic and we oppose them for multiple reasons including that the proposed rule changes will:

- Unnecessarily result in a significant and costly expansion of the scope of audits beyond what is already required by Section 10A of the Securities Exchange Act of 1934, and the current requirements of the PCAOB.
- Burden independent audit firms with complex implementation challenges associated with an overly broad scope of roles and responsibilities that is beyond the audit firm's core skillset, which would require such firms to engage additional legal advisors and regulatory specialists.
- Unduly burden companies with increased auditor inquiries and substantially higher audit fees.
- Require companies to produce complete and exhaustive lists of all relevant worldwide laws and regulations related to the company and its operations as well as produce related compliance procedures and processes.
- Result in waste and delay due to the need to engage in subjective decision-making over the relevance and reliability of information provided by the company to the auditors, the scope of relevant worldwide laws and regulations, and the effectiveness of the controls related to a broad spectrum of compliance programs.
- Expose companies to unnecessary risks related to the loss of the attorney-client

privilege with respect to the additional materials that would need to be provided to the independent auditors.

- Substantially increase company costs to support the new requirements, including the costs of hiring additional company personnel, adding IT and other resources, external advisors, professional fees, and other costs.

We strongly oppose the proposed rules and respectfully ask that they be reconsidered for the reasons described above.

Sincerely,

MICROCHIP TECHNOLOGY INCORPORATED

*Ganesh Moorthy*

Ganesh Moorthy (Aug 2, 2023 16:54 PDT)

Ganesh Moorthy  
President & CEO







# MCHP Letter Opposing PCAOB Proposal

Final Audit Report

2023-08-02

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