

File No. PCAOB-2003-11
Consists of 38 Pages

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 19b-4

Proposed Rules

By

Public Company Accounting Oversight Board

In accordance with Rule 19b-4 under the
Securities Exchange Act of 1934

1. Text of the Proposed Rule

(a) Pursuant to the provisions of Section 107(b) of the Sarbanes-Oxley Act of 2002 (the "Act"), the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule, "Technical Amendments to Interim Standards Rules." The rule reflects that the Board will be superseding, or effectively amending, the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards. The proposed rule is attached as Exhibit A to this rule filing.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Board

(a) The Board approved the proposed rule, and authorized it for filing with the SEC, at its Open Meeting on December 17, 2003. No other action by the Board is necessary for the filing of this proposed rule.

(b) Questions regarding this rule filing may be directed to Gordon Seymour, Acting General Counsel (202-207-9034; seymourg@pcaobus.org), Thomas Ray, Deputy Chief Auditor (202-207-9112; rayt@pcaobus.org), or Greg Scates, Associate Chief Auditor (202-207-9114; scatesg@pcaobus.org).

3. Board's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rules

(a) Purpose

On April 16, 2003, the Board adopted on an initial, transitional basis five temporary rules that refer to existing professional standards of auditing, attestation, quality control, ethics, and independence (known collectively as interim standards). (These rules were approved by the Securities and Exchange Commission on April 25, 2003. See SEC Rel. No. 33-8222). This proposal reflects that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter also addressed in the interim standards, the affected portion of the interim standards will be superseded or amended. Therefore, the Board has approved adding the phrase "to the extent not superseded or amended by the Board" to each of the interim standards (PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T). In addition, the Board adopted a technical amendment to Rule 3600T, revising the numbering of the paragraphs from "(1)" and "(2)" to "(a)" and "(b)".

(b) Statutory Basis

The statutory basis for the proposed rules is Title I of the Act.

4. Board's Statement on Burden on Competition

The Board does not believe that the proposed rule will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule reflects that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter that also is addressed in the interim standards, then the affected portion of the interim standards will be superseded or amended.

5. Board's Statement on Comments on the Proposed Rules Received from Members, Participants or Others

The Board released the proposed rule for public comment on November 12, 2003. See Exhibit 2(a)A. The Board received six written comment letters relating to its proposal. See Exhibits 2(a)B and 2(a)C.

The Board has carefully considered all comments it has received. In response to the written comments received, the Board has clarified and modified certain aspects of the proposed rules. The Board's response to the comments it received and the changes made to the rules in response to these comments are summarized in Exhibit 3 to this filing.

6. Extension of Time Period for Commission Action

The Board does not consent to an extension of the time period specified in Section 19(b)(2) of the Securities Exchange Act of 1934.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Board requests that the Commission accelerate the effectiveness of the proposed rule pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934.

The proposed rule reflects that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter also addressed in the interim standards, then the affected portion of the interim standards will be superseded or amended. In the absence of this clarification, any new standard adopted by the Board could leave an auditor uncertain whether PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T require

compliance only with the standards as they existed at the time those rules were adopted, or with those standards as amended or superseded by the new standard. To avoid this uncertainty, the proposed rule should be in effect on or before the date that any new PCAOB standard takes effect. The Board has already submitted one proposed new standard which is pending before the Commission for approval, and the Board has requested that the Commission give that standard accelerated effectiveness.¹ Accordingly, to avoid the uncertainty that could arise if that standard takes effect before the proposed rule takes effect, the Board requests accelerated effectiveness for the proposed rule. In addition to providing important clarification, the proposed rule is not controversial, and its accelerated effectiveness will not be prejudicial to any persons.

8. Proposed Rules Based on Rules of Another Board or of the Commission

The proposed rules are not based on the rules of another board or of the Commission.

9. Exhibits

Exhibit A – Text of the Proposed Rules

Exhibit 1 – Form of Notice of Proposed Rule for Publication in the Federal Register.

Exhibit 2(a)A – PCAOB Release No. 2003-022 (November 12, 2003).

Exhibit 2(a)B – Alphabetical List of Comments

¹ See File No. PCAOB-2003-10 (December 23, 2003) – Proposed Rule, Auditing Standard No. 1, “References in Auditors’ Reports to the Standards of the Public Company Accounting Oversight Board.”

Exhibit 2(a)C – Written comments on the rule proposed in PCAOB
Release No. 2003-022

Exhibit 3 – PCAOB Release No. 2003-026 (December 17, 2003)

10. Signatures

Pursuant to the requirements of the Act and the Securities Exchange Act of 1934, as amended, the Board has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Public Company Accounting Oversight Board

By: _____
William J. McDonough
Chairman

Exhibit A – Text of the Proposed Rule

RULES OF THE BOARD

* * *

SECTION 3. PROFESSIONAL STANDARDS

Part 1 – General Requirements

* * *

Rule 3200T. Interim Auditing Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), to the extent not superseded or amended by the Board.

* * *

Rule 3300T. Interim Attestation Standards.

In connection with an engagement (i) described in the AICPA's Auditing Standards Board's Statement on Standards for Attestation Engagements No. 10 (Codification of Statements on Auditing Standards, AT § 101.01 (AICPA 2002)) and (ii) related to the preparation or issuance of audit reports for issuers, a registered public accounting firm, and its associated persons, shall comply with the AICPA Auditing Standards Board's Statements on Standards for Attestation Engagements, and related interpretations and Statements of Position, as in existence on April 16, 2003, to the extent not superseded or amended by the Board.

* * *

Rule 3400T. Interim Quality Control Standards.

A registered public accounting firm, and its associated persons, shall comply with quality control standards, as described in –

(a) the AICPA's Auditing Standards Board's Statements on Quality Control Standards, as in existence on April 16, 2003 (AICPA Professional

Standards, QC §§ 20-40 (AICPA 2002)), to the extent not superseded or amended by the Board; and

(b) the AICPA SEC Practice Section's Requirements of Membership (d), (f)(first sentence), (l), (m), (n)(1) and (o), as in existence on April 16, 2003 (AICPA SEC Practice Section Manual § 1000.08(d), (f), (j), (m), (n)(1) and (o)), to the extent not superseded or amended by the Board.

* * *

Rule 3500T. Interim Ethics Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with ethics standards, as described in the AICPA's Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 102 and 191 (AICPA 2002)), to the extent not superseded or amended by the Board.

* * *

Rule 3600T. Interim Independence Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with independence standards –

(4a) as described in the AICPA's Code of Professional Conduct Rule 101, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 101 and 191 (AICPA 2002)), to the extent not superseded or amended by the Board; and

(2b) Standards Nos. 1, 2, and 3, and Interpretations 99-1, 00-1, and 00-2, of the Independence Standards Board, to the extent not superseded or amended by the Board.

* * *

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. PCAOB-2003-11)

[Date]

Public Company Accounting Oversight Board; Notice of Filing of Proposed Rule
on Technical Amendments to Interim Standards Rules

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 (the "Act"), notice is hereby given that on December 23, 2003, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission (the "Commission") the proposed rule described in Items I, II, and III below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

I. Board's Statement of the Terms of Substance of the Proposed Rule

On December 17, 2003, the Board adopted a rule concerning technical amendments to interim standards rules. The portions of the rules that the Board has amended are set out below, with underlining indicating the text that is added by the amendments adopted by the Board.

Text of the Proposed Rule**RULES OF THE BOARD**

* * *

SECTION 3. PROFESSIONAL STANDARDS**Part 1 – General Requirements**

* * *

Rule 3200T. Interim Auditing Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), to the extent not superseded or amended by the Board.

* * *

Rule 3300T. Interim Attestation Standards.

In connection with an engagement (i) described in the AICPA's Auditing Standards Board's Statement on Standards for Attestation Engagements No. 10 (Codification of Statements on Auditing Standards, AT § 101.01 (AICPA 2002)) and (ii) related to the preparation or issuance of audit reports for issuers, a registered public accounting firm, and its associated persons, shall comply with the AICPA Auditing Standards Board's Statements on Standards for Attestation Engagements, and related interpretations and Statements of Position, as in existence on April 16, 2003, to the extent not superseded or amended by the Board.

* * *

Rule 3400T. Interim Quality Control Standards.

A registered public accounting firm, and its associated persons, shall comply with quality control standards, as described in –

(a) the AICPA's Auditing Standards Board's Statements on Quality Control Standards, as in existence on April 16, 2003 (AICPA Professional Standards, QC §§ 20-40 (AICPA 2002)), to the extent not superseded or amended by the Board; and

(b) the AICPA SEC Practice Section's Requirements of Membership (d), (f)(first sentence), (l), (m), (n)(1) and (o), as in existence on April 16, 2003 (AICPA SEC Practice Section Manual § 1000.08(d), (f), (j), (m), (n)(1) and (o)), to the extent not superseded or amended by the Board.

* * *

Rule 3500T. Interim Ethics Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with ethics standards, as described in the AICPA's Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 102 and 191 (AICPA 2002)), to the extent not superseded or amended by the Board.

* * *

Rule 3600T. Interim Independence Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with independence standards –

(4a) as described in the AICPA's Code of Professional Conduct Rule 101, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 101 and 191 (AICPA 2002)), to the extent not superseded or amended by the Board; and

(2b) Standards Nos. 1, 2, and 3, and Interpretations 99-1, 00-1, and 00-2, of the Independence Standards Board, to the extent not superseded or amended by the Board.

* * *

II. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rule and discussed any comments it received on the proposed rule. The text of these statements may be

examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Board's Statement of the Purpose Of, and Statutory Basis for, the Proposed Rule

(a) Purpose

On April 16, 2003, the Board adopted on an initial, transitional basis five temporary rules that refer to existing professional standards of auditing, attestation, quality control, ethics, and independence (known collectively as interim standards). These rules were approved by the Securities and Exchange Commission on April 25, 2003. (See SEC Rel. No. 33-8222). This proposal reflects that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter also addressed in the interim standards, the affected portion of the interim standards will be superseded or amended. Therefore, the Board has approved adding the phrase "to the extent not superseded or amended by the Board" to each of the interim standards (PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T). In addition, the Board adopted a technical amendment to Rule 3600T, revising the numbering of the paragraphs from "(1)" and "(2)" to "(a)" and "(b)".

(b) Statutory Basis

The statutory basis for the proposed rule is Title I of the Act.

B. Board's Statement on Burden on Competition

The Board does not believe that the proposed rule will result in any burden on competition that is not necessary or appropriate in furtherance of the

purposes of the Act. The proposed rule reflects that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter that also is addressed in the interim standards, then the affected portion of the interim standards will be superseded or amended.

C. Board's Statement on Comments on the Proposed Rule Received from Members, Participants or Others

The Board released the proposed rule for public comment in PCAOB Release No. 2003-022 (November 12, 2003). A copy of PCAOB Release No. 2003-022 and the comment letters received in response to the PCAOB's request for comment are available on the PCAOB's web site at www.pcaobus.org. The Board received six written comments. Most of the commenters explicitly indicated support for the technical amendments to the interim standards rules, and none indicated opposition to the technical amendments. Thus, the Board made no modifications to this proposed rule.

In addition, many commenters requested that the Board identify how proposed, as well as final, standards affect the existing interim standards. While it may not always be practicable to identify exactly which portions of existing standards have been superseded or amended by new Board standards, the Board recognizes the need to provide auditors with as much guidance and clarity as possible. As future standards are adopted or amended, the Board intends to identify, to the greatest extent possible, those interim standards that are amended or superseded by standards issued by the Board.

III. Date of Effectiveness of the Proposed Rule and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Board consents the Commission will:

(a) by order approve such proposed rule; or

(b) institute proceedings to determine whether the proposed rule should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule is consistent with the requirements of Title I of the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule that are filed with the Commission, and all written communications relating to the proposed rule between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the PCAOB. All submissions should refer to File No. PCAOB-2003-11 and should be submitted within [] days.

By the Commission.

Secretary



RELEASE

A. Proposed Amendments to the Board's Rules Relating to Interim Standards

The Board is proposing certain technical amendments to its interim standards rules to reflect that the Board will be superceding, or effectively amending, the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards.

On April 16, 2003, the Board adopted on an initial, transitional basis five temporary rules that refer to existing professional standards of auditing, attestation, quality control, ethics, and independence. The professional standards adopted by the Board through its interim standards rules are comprised of individual sections that address specific subject matters, for example, the auditor's responsibility for fraud in a financial statement audit, and the audit confirmation process, among other subjects. The amendments proposed today reflect that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter that also is addressed in the interim standards, the affected portion of the interim standards will be superseded or effectively amended. Accordingly, the Board is proposing to add the phrase "to the extent not superseded or amended by the Board" to each of the interim standards rules (PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T).

B. Opportunity for Public Comment

The Board will seek comment on the proposed rule amendments for a 21-day period. Interested persons are encouraged to submit their views to the Board. Written comments should be sent to Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments may also be submitted by e-mail to comments@pcaobus.org or through the Board's Web site at www.pcaobus.org. All comments should refer to PCAOB Rulemaking Docket Matter No. 011 in the subject or reference line and should be received by the Board no later than 5:00 p.m. EST on December 4, 2003.

The Board will carefully consider all comments received. Following the close of the comment period, the Board will determine whether to adopt final amended Rules, with or without amendments. Any final amended Rule adopted will be submitted to the Securities and Exchange Commission for approval. Pursuant to Section 107 of the Act, proposed rules of the Board do not take effect unless approved by the Commission.



PCAOB Release No. 2003-022
November 12, 2003
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RELEASE

* * *

On the 12th day of November, in the year 2003, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ J. Gordon Seymour

J. Gordon Seymour
Acting Secretary

November 12, 2003

APPENDIX –

Proposed Amendments to the Board's –

Rule 3200T, Interim Auditing Standards

Rule 3300T, Interim Attestation Standards

Rule 3400T, Interim Quality control Standards

Rule 3500T, Interim Ethics Standards

Rule 3600T, Interim Independence Standards



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RELEASE

Appendix – Amendments to Rules Relating to Interim Professional Auditing Standards

Proposed additions to the Board's rules are shown in *bold italics*.

RULES OF THE BOARD

SECTION 3. PROFESSIONAL STANDARDS

Part 1 – General Requirements

Rule 3200T. Interim Auditing Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), *to the extent not superseded or amended by the Board.*

Note: Under Section 102(a) of the Act, public accounting firms are not required to be registered with the Board until 180 days after the date of the determination of the Commission under section 101(d) that the Board has the capacity to carry out the requirements of Title I of the Act (the "mandatory registration date"). The Board intends that, during the period preceding the mandatory registration date, the Interim Auditing Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

Rule 3300T. Interim Attestation Standards.

In connection with an engagement (i) described in the AICPA's Auditing Standards Board's Statement on Standards for Attestation Engagements No. 10 (Codification of Statements on Auditing Standards, AT § 101.01 (AICPA 2002)) and (ii) related to the preparation or issuance of audit reports for issuers, a registered public accounting firm, and its associated persons, shall comply with the AICPA Auditing Standards Board's Statements on Standards for Attestation Engagements, and related interpretations and Statements of Position, as in existence on April 16, 2003, *to the extent not superseded or amended by the Board.*



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Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Attestation Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

Rule 3400T. Interim Quality Control Standards.

A registered public accounting firm, and its associated persons, shall comply with quality control standards, as described in –

(a) the AICPA's Auditing Standards Board's Statements on Quality Control Standards, as in existence on April 16, 2003 (AICPA Professional Standards, QC §§ 20-40 (AICPA 2002)); and

(b) the AICPA SEC Practice Section's Requirements of Membership (d), (f)(first sentence), (l), (m), (n)(1) and (o), as in existence on April 16, 2003 (AICPA SEC Practice Section Manual § 1000.08(d), (f), (j), (m), (n)(1) and (o)),

to the extent not superseded or amended by the Board.

Note: The second sentence of requirement (f) of the AICPA SEC Practice Section's Requirements of Membership provided for the AICPA's peer review committee to "authorize alternative procedures" when the requirement for a concurring review could not be met because of the size of the firm. This provision is not adopted as part of the Board's Interim Quality Control Standards. After the effective date of the Interim Quality Control Standards, requests for authorization of alternative procedures to a concurring review may, however, be directed to the Board.

Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Quality Control Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.



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RELEASE

Rule 3500T. Interim Ethics Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with ethics standards, as described in the AICPA's Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 102 and 191 (AICPA 2002)), ***to the extent not superseded or amended by the Board.***

Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Ethics Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

Rule 3600T. Interim Independence Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with independence standards –

(1) as described in the AICPA's Code of Professional Conduct Rule 101, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 101 and 191 (AICPA 2002)); and

(2) Standards Nos. 1, 2, and 3, and Interpretations 99-1, 00-1, and 00-2, of the Independence Standards Board,

to the extent not superseded or amended by the Board.

Note: The Board's Interim Independence Standards do not supercede the Commission's auditor independence rules. See Rule 2-01 of Reg. S-X, 17 C.F.R. 240.2-01. Therefore, to the extent that a provision of the Commission's rule is more restrictive – or less restrictive – than the Board's Interim Independence Standards, a registered public accounting firm must comply with the more restrictive rule.



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Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Independence Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.



Exhibit 2(a)(B)

Tab Number	Comment Source
1	American Institute of Certified Public Accountants, <i>Authors: S. Scott Voynich, CPA, Chairman of the Board; and Barry C. Melancon, CPA, President and CEO</i> , December 4, 2003
2	Deloitte & Touche LLP, December 4, 2003
3	Ernst & Young LLP, December 4, 2003
4	Grant Thornton LLP, <i>Author: John L. Archambault</i> , December 4, 2003
5	New York State Society of Certified Public Accountants, December 8, 2003
6	PricewaterhouseCoopers LLP, December 4, 2003



December 4, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

**RE: PCAOB Rulemaking Docket Matter No. 011
Proposed Technical Amendments to Interim Standards Rules**

Dear Mr. Secretary:

The American Institute of Certified Public Accountants ("AICPA") respectfully submits the following written comments on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") proposed technical amendments to the Board's interim standards rules. The AICPA is the largest professional association of Certified Public Accountants in the United States, with more than 330,000 members in public practice, business, industry, government, and education.

We agree with the proposal to add the words ***to the extent not superseded or amended by the Board*** to Rules 3200T, Interim Auditing Standards; 3300T, Interim Attestation Standards; 3400T, Interim Quality Control Standards; 3500T, Interim Ethics Standards; and 3600T, Interim Independence Standards, to reflect that the Board will be superseding or amending the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards.

As the PCAOB moves forward to supersede or amend transitional standards, we urge the PCAOB to identify, as part of the discussion of each proposed standard issued for public comment, how the proposal affects existing interim standards so that such information is clear and accessible both to auditors and to the public.

Thank you for the opportunity to comment on the proposed technical amendment to the Board's interim standards rules. We would be pleased to meet with PCAOB members and staff to discuss our comments.

Sincerely,

S. Scott Voynich, CPA
Chairman of the Board

Barry C. Melancon, CPA
President and CEO

Deloitte & Touche LLP
10 Westport Road
PO Box 820
Wilton, CT 06897-0820

Tel: 203-761-3000
Fax: 203-834-2200

**Deloitte
& Touche**

December 4, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 011
Proposed Technical Amendments to Interim Standards Rules

Deloitte & Touche LLP is pleased to respond to the request for comments from the Public Company Accounting Oversight Board (the "PCAOB" or the "Board") on its *Proposed Technical Amendments to Interim Standards Rules*, PCAOB Rulemaking Docket Matter No. 011 (November 12, 2003).

On April 16, 2003, the PCAOB adopted as interim standards those auditing and attestation standards as promulgated by the AICPA and in existence as of April 16, 2003. Additionally, the PCAOB adopted certain existing quality control, ethics, and independence standards. We understand it is the intention of the PCAOB to modify these interim standards; we have also noted that the proposed auditing standards issued to date by Board have included language that would modify existing interim standards. However, such modifications to interim standards have not been clearly articulated in the auditing standards proposed to date.

Providing clear standards and guidance to auditors is essential in order to ensure audits are performed appropriately. As such, we believe it is extremely important that the changes made to interim standards are clearly articulated in each proposed standard so that auditors and the public understand the potential changes. Accordingly, we suggest that each proposed standard issued by the Board clearly identify how the proposed changes will impact current interim standards, and what conforming changes will need to be made to existing interim standards. This will assist the auditor and the public in understanding the intentions of the Board and help to maintain consistency in the application of standards. An appendix to each proposed standard with such changes might be a way to communicate this information.

We appreciate the opportunity to comment, and would be pleased to discuss these issues with you further. If you have any questions or would like to discuss these issues further, please contact Robert J. Kueppers at (203) 761-3579 or John A. Fogarty at (203) 761-3227.

Very truly yours,

/s/ Deloitte & Touche LLP

cc: William J. McDonough, Chairman of the PCAOB
Kayla J. Gillan, Member
Daniel L. Goelzer, Member
Willis D. Gradison, Jr., Member
Charles D. Niemeier, Member



■ Ernst & Young LLP
Suite 1300
925 Euclid Avenue
Cleveland, Ohio 44115

■ Phone: (216) 861-5000
www.ey.com

December 4, 2003

Mr. J. Gordon Seymour
Acting Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington, D.C. 20006-2803

**PCAOB Rulemaking Docket Matter No. 011,
Proposed Technical Amendments To Interim Standards Rules**

Dear Mr. Seymour:

We support the PCAOB's proposed technical amendments to its rules to reflect that the Board will be superseding, or effectively amending, the existing professional standards referred to in the Board's interim standards.

Although not directly related to this proposal, we have the following additional comments. We support the Board making changes to interim professional auditing standards either by publishing a new standard or by publishing proposed amendments. From a process perspective, when proposing amendments to standards in the future, we recommend the Board provide the specific wording of all affected standards that will result from the proposed amendments. We believe it is important for auditors and other interested parties to know the specific wording to minimize the risk that such changes will be misunderstood or not appropriately considered.

We would be pleased to discuss our comments with members of the Public Company Accounting Oversight Board or its staff.

Very truly yours,

Ernst & Young LLP

Grant Thornton LLP
The US Member Firm of
Grant Thornton International

175 West Jackson
Chicago, IL 60604
312 602-8000

Grant Thornton 

December 4, 2003

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

Via e-mail: comments@pcaobus.org

Re: PCAOB Rulemaking Docket Matter No. 011, *Proposed Technical Amendments to Interim Standards Rules*

Dear Board Members and Staff,

We appreciate the opportunity to comment on the Public Company Accounting Oversight Board's ("Board" or "PCAOB") *Proposed Technical Amendments to Interim Standards Rules*. We believe that the proposed amendments are straightforward and clearly indicate that registered public accounting firms and their associated persons ("auditors") should adhere to the interim standards to the extent that such standards have not been superseded or otherwise amended by the PCAOB. Accordingly, we fully support the adoption of the proposal.

Nevertheless, we advise the Board of the critical need to specifically identify the portions of the interim standards that will be superseded (or amended) by newly adopted standards and rules. We noted the Board appropriately identified the interim standards that will be superseded and amended by PCAOB Rulemaking Docket Matter No. 012, *Proposed Auditing Standard on Audit Documentation and Proposed Amendment to Interim Auditing Standards*. However, PCAOB Rulemaking Docket Matter No. 008, *Proposed Auditing Standard – An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*, appeared to revise, summarize, and/or supplement existing interim standards (including independence, fraud, the work of internal audit, the work of other auditors, analytical procedures, interim reviews, performance of substantive procedures, service organizations, and filings under federal securities statutes), but did not identify the superseded or amended portions of the interim standards. In this instance, the Board should, at a minimum, supersede or amend the interim standards, as appropriate, prior to the issuance of a final rule. We believe this is critical in order for auditors to be able to fully comply with the PCAOB's auditing and related professional practice standards, as well as helping to eliminate potential confusion and inconsistencies in interpretation with respect to the affected portions of the interim standards.

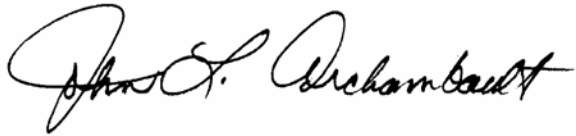
December 4, 2003

Further, we prefer that requirements and guidance relating to the same subject matter be kept intact to promote compliance with the standards, rules and regulations. Accordingly, we suggest that the Board consider adopting a framework, similar to the existing professional standards, that supports standards and rules by subject matter, for example, a codified version of the PCAOB's releases. This should further promote compliance and expedite and simplify the maintenance of the auditing and related professional practice standards.

* * * *

We would be pleased to discuss our comments with you. If you have any questions, please contact Mr. John L. Archambault, Managing Partner of Professional Standards, at (312) 602-8701.

Very truly yours,

A handwritten signature in black ink, reading "John L. Archambault". The signature is written in a cursive style with a large initial "J" and "A".

Grant Thornton LLP

new york state society of
NYSSCPA
certified public accountants
530 fifth avenue, new york, ny 10036-5101
www.nysscpa.org

December 2, 2003

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, DC 20006-2803

By e-mail: comments@pcaobus.org

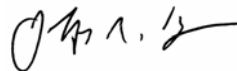
Re: Proposed Technical Amendments to Interim Standards Rules

PCAOB Release No. 2003-022
PCAOB Rulemaking Docket Matter No. 011

The New York State Society of Certified Public Accountants, the oldest state accounting association, representing approximately 30,000 CPAs, welcomes the opportunity to comment on the Proposed Auditing Standard referenced above.

The NYSSCPA Auditing Standards and Procedures Committee concurs with your proposal to handle interim standards. If you would like additional discussion with the committee, please contact Margaret Wood, chair of the Auditing Standards and Procedures Committee, at (212) 542-9528, or Robert Colson, NYSSCPA staff, at (212) 719-8350.

Sincerely,



Jeffrey R. Hoops
President

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NYSSCPA Staff

Robert H. Colson



PricewaterhouseCoopers LLP
500 Campus Dr.
Florham Park NJ 07932
Telephone (973) 236 7000
Facsimile (973) 236 7200

December 4, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 011, Proposed Technical Amendments to Interim Standards Rules (PCAOB Release No. 2003-022, November 12, 2003)

Dear Mr. Secretary:

PricewaterhouseCoopers LLP is pleased to respond to the request for comment from the Public Company Accounting Oversight Board (the "Board") on the proposed technical amendments to the interim standards rules ("the proposal").

We support the proposal as it clarifies the Board's responsibility for superseding or amending the interim standards. In addition, we strongly recommend that the Board establish a process to ensure that changes to existing auditing and related professional practice standards, whether originally issued by the Board or the Auditing Standards Board of the AICPA, along with the necessary conforming changes, are clearly identified in standards issued by the Board. As new standards are issued, it will be increasingly important that readers be able to clearly identify existing standards that were superseded or amended and, if amended, exactly how they were changed. We believe this process is also important in ensuring that both the Board, in developing proposed standards, as well as those commenting on them are able to fully assess the implications of proposed standards on existing standards.

* * * * *

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions the staff may have. Please do not hesitate to contact Ray Bromark (973-236-7781) or Jim Lee (973-236-4478) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP



1666 K Street, N.W.
 Washington, DC 20006
 Telephone: (202) 207-9100
 Facsimile: (202) 862-8430
www.pcaobus.org

TECHNICAL AMENDMENTS TO INTERIM
 STANDARDS RULES

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) PCAOB Release No. 2003-26
) December 17, 2003
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) PCAOB Rulemaking
) Docket Matter No. 011
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Summary: After public comment, the Public Company Accounting Oversight Board (the "Board" or "PCAOB") has adopted certain technical amendments to its rules to reflect that the Board will be superseding, or effectively amending, the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards.

The Board will submit these amendments to the Securities and Exchange Commission ("Commission") for approval pursuant to Section 107 of the Sarbanes-Oxley Act of 2002 (the "Act"). The Board's amendments will not take effect unless approved by the Commission.

Board
 Contacts: Thomas Ray, Deputy Chief Auditor (202/207-9112; rayt@pcaobus.org),
 Greg Scates, Associate Chief Auditor (202/207-9114; scatesg@pcaobus.org).

* * *

A. Amendments to the Board's Rules Relating to Interim Standards

On April 16, 2003, the Board adopted on an initial, transitional basis five temporary rules that refer to existing professional standards of auditing, attestation,



PCAOB Release 2003-026
December 17, 2003
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quality control, ethics, and independence.^{1/} The amendments approved by the Board reflect that, when the Board adopts a new auditing and related professional practice standard that addresses a subject matter that also is addressed in the interim standards, the affected portion of the interim standards will be superseded or effectively amended. Accordingly, the Board has approved to add the phrase "to the extent not superseded or amended by the Board" to each of the interim standards rules (PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T). In addition, the Board is making technical amendments to Rule 3600T, revising the numbering of the paragraphs from "(1)" and "(2)" to "(a)" and "(b)". The text of these amendments is presented in the Appendix.

B. Public Comment Process and Board Responses

The Board proposed technical amendments to its interim standards rules and released them for public comment, on November 12, 2003. The Board received six written comment letters.^{2/} Most of the commenters explicitly indicated support for the technical amendments to the interim standards rules, and none indicated opposition to the technical amendments. In addition, many commenters requested that the Board identify how proposed, as well as final, standards affect the existing interim standards. While it may not always be practicable to identify exactly which portions of existing standards have been superseded or amended by new Board standards, the Board recognizes the need to provide auditors with as much guidance and clarity as possible. As future standards are adopted or amended, the Board intends to identify, to the greatest extent possible, those interim standards that are amended or superseded by standards issued by the Board.

^{1/} These rules were adopted by the Board on April 16, 2003, and approved by the Securities and Exchange Commission on April 25, 2003. See SEC Rel. No. 33-8222 (April 25, 2003).

^{2/} The comment letters are available on the Board's Web site – www.pcaobus.org – and will be attached to the Board's Form 19b-4, to be filed with the Commission.



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* * *

On the 17th day of December, in the year 2003, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ J. Gordon Seymour

J. Gordon Seymour
Acting Secretary

December 17, 2003

APPENDIX –

Amendments to the Board's –

Rule 3200T, Interim Auditing Standards

Rule 3300T, Interim Attestation Standards

Rule 3400T, Interim Quality control Standards

Rule 3500T, Interim Ethics Standards

Rule 3600T, Interim Independence Standards



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Appendix – Amendments to Rules Relating to Interim Professional Auditing Standards

The Board has amended Section 3 of its rules by inserting the phrase "to the extent not superseded or amended by the Board" in Rules 3200T, 3300T, 3400T, 3500T, and 3600T, and by revising the numbering of the paragraphs in Rule 3600T from "(1)" and "(2)" to "(a)" and "(b)". The relevant portions of the Rules, as amended, are set out below. Language added by these amendments is shown in bold italics. Deleted paragraph numbers are struck through. Other text in Section 3, including notes to the Rules, remains unchanged and is indicated below by " * * * ".

RULES OF THE BOARD

* * *

SECTION 3. PROFESSIONAL STANDARDS

Part 1 – General Requirements

* * *

Rule 3200T. Interim Auditing Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), ***to the extent not superseded or amended by the Board.***

* * *

Rule 3300T. Interim Attestation Standards.

In connection with an engagement (i) described in the AICPA's Auditing Standards Board's Statement on Standards for Attestation Engagements No. 10 (Codification of Statements on Auditing Standards, AT § 101.01 (AICPA 2002)) and (ii) related to the preparation or issuance of audit reports for issuers, a registered public



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December 17, 2003
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RELEASE

accounting firm, and its associated persons, shall comply with the AICPA Auditing Standards Board's Statements on Standards for Attestation Engagements, and related interpretations and Statements of Position, as in existence on April 16, 2003, ***to the extent not superseded or amended by the Board.***

* * *

Rule 3400T. Interim Quality Control Standards.

A registered public accounting firm, and its associated persons, shall comply with quality control standards, as described in –

(a) the AICPA's Auditing Standards Board's Statements on Quality Control Standards, as in existence on April 16, 2003 (AICPA Professional Standards, QC §§ 20-40 (AICPA 2002)), ***to the extent not superseded or amended by the Board;*** and

(b) the AICPA SEC Practice Section's Requirements of Membership (d), (f)(first sentence), (l), (m), (n)(1) and (o), as in existence on April 16, 2003 (AICPA SEC Practice Section Manual § 1000.08(d), (f), (j), (m), (n)(1) and (o)), ***to the extent not superseded or amended by the Board.***

* * *

Rule 3500T. Interim Ethics Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with ethics standards, as described in the AICPA's Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 102 and 191 (AICPA 2002)), ***to the extent not superseded or amended by the Board.***



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* * *

Rule 3600T. Interim Independence Standards.

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with independence standards –

(4a) as described in the AICPA's Code of Professional Conduct Rule 101, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 101 and 191 (AICPA 2002)), ***to the extent not superseded or amended by the Board***; and

(2b) Standards Nos. 1, 2, and 3, and Interpretations 99-1, 00-1, and 00-2, of the Independence Standards Board, ***to the extent not superseded or amended by the Board***.

* * *