



ASIC

Australian Securities & Investments Commission

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Our Reference: Letter PCAOB

13 January 2004

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

Dear Sir

Re: Proposed Rules Relating to the Oversight of Non-US Public Accounting Firms

We have read with interest PCAOB Release No 2003-024 and the proposed rules relating to the oversight of non-US public accounting firms in the areas of registration, inspections, and investigations and adjudications.

As a jurisdiction which includes accounting firms that audit US public companies (as defined in the Release) it is our expectation that the Australian regulatory system will be one that the proposed PCAOB rules and cooperative model will be applied.

The Australian Securities and Investments Commission (ASIC) is Australia's equivalent to your Securities Exchange Commission although there are some differences in overall jurisdictions. We are interested in engaging in a specific dialogue with the PCAOB in these matters.

As you may be aware, the Australian Government is in the process of implementing the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003 which includes proposed provisions to further strengthen the regulation of auditing in Australia and ASIC's role in that process. We are currently in the process of addressing these proposals and our policy and operational initiatives relevant to their implementation.

It is my intention to make arrangements to meet with representatives of the PCAOB and the SEC in the near future to discuss these issues and to establishing a close working relationship into the future.

Yours sincerely

Jeffrey Lucy AM
Acting Chairman

cc. M. Rawstron – Treasury