



**The Japanese Institute of
Certified Public Accountants**

4-4-1, Kudan-Minami, Chiyoda-ku, Tokyo 102-8264, Japan
Phone: 81-3-3515-1130 Fax: 81-3-5226-3356
E-mail: international@jicpa.or.jp
<http://www.jicpa.or.jp>

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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. 013
Proposed Rules Relating to the Oversight of Non-U.S. Public Accounting Firms

Gentlemen:

The Japanese Institute of Certified Public Accountants is pleased to submit a comment on the Proposed Rules Relating to the Oversight of Non-U.S. Public Accounting Firms issued by the Public Company Accounting Oversight Board.

We understand Japanese auditing firms would request that the PCAOB rely on the Japanese professional oversight system by submitting written petitions describing Japanese laws and other information to assist the Board in evaluating such system's independence and rigor under the proposed Section 4011. Japanese auditing firms are subject to oversight and inspection by the CPA and Auditing Oversight Board (CPAAOB) pursuant to the Articles 46-9-2 and 49-4 of the Certified Public Accountants Law of Japan, as amended (Law No. 103, 1948). CPAAOB is to be established in the Financial Services Agency (FSA) of Japan in April this year. It will consist of Chairman and no more than nine commissioners who are to be appointed by the Prime Minister with the consents of both Houses of the Diet. The members shall exercise their authorities independently. Thus, it will be independent of the profession. We understand Japanese auditing firms would submit description of the oversight system by the CPAAOB when requesting that the PCAOB rely on that system. However, the amended Certified Public Accountants Law of Japan will be effective on April 1, 2004, and the details of the CPAAOB inspection program over Japanese audit firms has yet to be announced, and as such, it is difficult for Japanese audit firms that expect to petition the Board to provide at present preliminary information that can be necessary for the PCAOB to evaluate the CPAAOB inspection work program as described in the Rule 4011.

We plan to provide the PCAOB with necessary information about the CPAAOB as soon as CPAAOB inspection program is available in the near future. We would earnestly request the PCAOB to understand the situation in Japan and grant Japanese auditing firms a certain period of time (a few months) before they submit petition with detailed information about the CPAAOB inspection work program.

Very truly yours,

**Akio Okuyama
Chairman & President
The Japanese Institute of Certified Public Accountants**