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Public Company Accounting Oversight Board
Attention: Office of the Secretary
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Washington D.C. 20006-2803
comments@pcaobus.org



December 8, 2011

Docket 037 – Concept Release on Auditor Independence and Audit Firm Rotation

Dear PCAOB Board Members:

I am writing this letter on behalf of Methanex Corporation, a Canadian company and Form 40-F filer with the Securities and Exchange Commission (SEC). We are responding to your request for comment on the concept release on auditor independence and audit firm rotation. We appreciate the opportunity to provide our comments.

We agree with the PCAOB that auditor independence is a key element in protecting the interests of the Company's stakeholders. However, we disagree that mandatory audit firm rotation will contribute to this effort and believe that there could be several negative impacts from such a directive.

Today, there are various standards, rules and oversight bodies in place which govern audit firms and audit quality. We believe that many of these requirements contribute to increased auditor independence, such as mandatory audit partner rotation, Audit Committee pre-approval for services provided by auditors, and regular reviews of audit files by the PCAOB and accounting bodies. These external oversights are in addition to the responsibility placed on the Audit Committee itself to ensure auditor independence, and this responsibility has increased over the past 10 years. We believe that the current structure provides adequate oversight to protect the Company's stakeholders and audit firm rotation should not be mandatory, but left in the hands of our Audit Committee.

We understand that you are seeking feedback on the length of tenure, should mandatory audit firm rotation be implemented. Our opposition to this concept falls into two broad areas, both of which are impacted by the length of tenure: first, the substantial effort required to change auditors in a global company such as ours, which diverts management's attention away from core operations and the key risks to the company; and second, the risk that mandatory audit firm rotation could result in reduced, not enhanced, audit effectiveness. While we understand that these factors are less of an issue with a longer mandatory tenure, we would then question the effectiveness of mandatory audit firm rotation in meeting your objectives of increased auditor independence.

Methanex Corporation is a global company with over ten significant operating locations covering even more statutory and legal jurisdictions. In each location, our auditors perform local statutory work along with contributing to the global integrated audit of our consolidated company. Mandatory audit firm rotation would cause significant disruption across our organization,

impacting not only the global integrated audit but the local statutory work. This change would require significant efforts of our staff and management over multiple years in rebuilding a working structure with the new firm, only to require the same pattern a short time later. We believe that the cost of audit firm rotation is significant, not specifically in terms of audit cost, but in the internal time required. The distraction of mandatory audit firm rotation will increase the overall risk to stakeholders during the transition periods.

We also believe mandatory audit firm rotation could result in reduced, not enhanced, audit effectiveness. Developing a broad and deep knowledge of the specific challenges facing our Company and industry takes time and we believe this increases the quality of the audit. In the initial years with a new audit firm, this knowledge is lacking and would limit the ability of the audit firm to make appropriate decisions. Towards the end of a term, we believe the audit firm could alter their approach and become excessively risk-averse, resulting in inappropriate decision-making. Audit partner, but not audit firm, rotation achieves a fresh perspective without the wholesale change which would come with mandatory audit firm rotation.

Changing audit firms may be an appropriate decision for a Company to make in order to achieve a high-quality audit. However, the timing of such a significant decision should remain in the hands of the Audit Committee in order to balance all relevant factors. We believe that the current standards, rules and oversight bodies contribute to auditor independence and effective audits. Prior to any further regulatory changes, we believe that firm evidence should be found that audit firm rotation would benefit the majority of stakeholders.

We appreciate the PCAOB's consideration of our comments.

Sincerely,



Brad Boyd
Vice President, Finance
Methanex Corporation