

December 12, 2011

Mr. J. Gordon Seymour  
Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803  
Via e-mail: [comments@pcaob.org](mailto:comments@pcaob.org)

**PCAOB Rulemaking Docket Matter No. 37**  
**Concept Release on Auditor Independence and Audit Firm Rotation**

Dear Mr. Seymour:

Xilinx, Inc. (“we”) appreciates the opportunity to submit comments to the Public Company Accounting Oversight Board (“PCAOB” or the “Board”) on its concept release on auditor independence and audit firm rotation (the “Proposal”). We are a public company headquartered in San Jose, California and the leading provider of programmable platforms. We design, develop and market programmable platform solutions, which include integrated circuits in the form of programmable logic devices (“PLDs”), extensible process platforms as well as software design tools to program the PLDs. Our net revenues were approximately \$2.4 billion in the 2011 fiscal year and our market capitalization currently exceeds \$8 billion.

We believe auditor independence, objectivity and professional skepticism are of the highest importance and the foundation of confidence in our relationship with the audit firm. Therefore, we understand the Board’s desire to enhance these attributes. However, we have significant concerns regarding the Board’s Proposal, particularly with respect to the Board’s focus on auditor independence and mandatory audit firm rotation.

**Auditor Independence, Objectivity and Professional Skepticism**

We believe there should be a stronger alignment among independent auditors, independent audit committees, independent audit oversight authorities (e.g., PCAOB) and public company shareholders regarding the objectives of a public company audit. Accordingly, a policy designed to further strengthen audit committees and the interrelationships of these four relevant parties should be further examined. In this regard, we believe increased dialogue between the PCAOB and audit committees would be in the public interest. The interaction between the PCAOB and audit committees would enhance interaction on issues related to standard setting and other aspects of audit policy. A formal practice should also be considered whereby the PCAOB could recommend audit firm rotation to an audit committee in instances where the PCAOB’s enforcement process against an audit firm has demonstrated that professional skepticism or objectivity was significantly lacking in the accounting firm’s audit of a particular company.

### **Mandatory Audit Firm Rotation**

We do not believe that mandatory audit firm rotation is in the investing public's interest. A mandatory rotation model would impair audit quality and undermine sound corporate governance, in addition to increasing costs and diminishing efficiency – all to the detriment of investor interests.

We believe mandatory audit firm rotation would negatively affect shareholders by weakening the current corporate governance structure, which recognizes and seeks to enhance the alignment of interests among shareholders, independent audit committees, independent auditors and independent audit oversight authorities in promoting high-quality audits. We are very concerned that mandatory audit firm rotation would undermine or even override the audit committee's authority, knowledge, perspective and responsibility to oversee the auditor, only to replace it with a requirement that is not proven to increase audit quality. Mandatory audit firm rotation would reduce the significant advantage of longer audit firm tenure whereby an audit firm attains in-depth knowledge and understanding of a company over time, as well as an awareness of the company's risks, which, in our experience, significantly enhance audit quality. Moreover, it is our experience that the required audit engagement partner rotation (every 5 years), concurrent partner rotation (every 7 years) and natural turnover of company personnel refresh and revitalize the relationship between the audit firm and the company subject to audit. Finally, we respectfully submit that there is no evidence to support the assertion that mandatory audit firm rotation will improve audit quality and we do not believe such a drastic change to the current structure should occur in the absence of such evidence.

We further believe mandatory audit firm rotation will result in significant economic costs and audit risks. We are concerned that those who express support for mandatory audit firm rotation do not appreciate the resource challenges posed by such a model, the resulting impact on the professionals involved and the long-term negative impact that this model would have on audit quality. While companies and audit firms obviously can and do manage the risks related to new client engagements and transitions, the volume of such transition activity today is significantly less than what would occur under a mandatory rotation model. Due to learning curve that audit firms face with any new audit, new client audits can be less efficient at the beginning of an engagement and present a higher level of audit risk. These factors would increase the cost of the audit process as a whole if audit firms were regularly being rotated. We, as a global public company, would face repeated distraction, disruption and incremental expenses due to the need to continually select new auditors and then educate the new audit firm about our business and operations.

In summary, we believe audit committees and boards of directors, representing the interests of shareholders, should be free to appoint the audit firm that best meets their needs at the time they believe appropriate. As discussed above, we do not believe that mandatory audit firm rotation will improve audit quality. In fact, mandatory rotation could actually threaten audit quality by eliminating the benefits of the cumulative knowledge an audit firm builds about the company over time and diminish the resources and industry knowledge available to auditor. Finally, existing audit partner rotation rules and independence requirements, as well as natural personnel turnover, keep relationships between the audit firm and the company fresh and appropriately independent, rendering mandatory rotation unnecessary.

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Thank you for considering our views. Please feel free to contact me if you would like to discuss our concerns regarding the Proposal.

Sincerely,

/s/ Jon A. Olson

Jon A. Olson

Senior Vice President, Finance and

Chief Financial Officer