

File No. PCAOB 2013-03  
Amendment No. 1  
Consists of 12 Pages

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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Form 19b-4

Proposed Rules

By

Public Company Accounting Oversight Board

SEC  
Mail Processing  
Section

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

1. Text of the Proposed Amendment

(a) Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 ("Act"), the Public Company Accounting Oversight Board ("Board" or "PCAOB") is filing with the Securities and Exchange Commission ("SEC" or "Commission") an amendment ("Amendment No. 1") to the proposed rules the Board originally submitted on December 23, 2013, PCAOB Release No. 2013-03 ("proposed rules"). The proposed rules, which would conform the Board's rules and forms to the Dodd-Frank Wall Street Reform and Consumer Protection Act and make certain updates and clarifications, were published in the Federal Register, 79 FR 6272 (Feb. 3, 2014) ("original rule filing") and are pending before the Commission for the Commission's approval.

Amendment No. 1 would make two technical amendments to the proposed rules. First, to correct an error, Amendment No. 1 would include rule text for the proposed amendments to Rule 3526 that was inadvertently omitted from the Board's original rule filing. Second, Amendment No. 1 would update a cross-reference in Form 4 that will become outdated if the proposed rules in the original filing are approved by the Commission. The text of the proposed rules as modified by Amendment No. 1 is attached as Exhibit A.

(b) Rule 3526, Communication with Audit Committees Concerning Independence; Form 4, Succeeding to Registration Status of Predecessor.

(c) Rule 3526 and Form 4 were addressed in PCAOB-2013-03, filed in accordance with Rule 19b-4 under the Securities Exchange Act of 1934 ("Exchange Act") on December 23, 2013, which this filing amends.

2. Procedures of the Board

(a) The Board approved Amendment No. 1 in accordance with its bylaws on February 25, 2014. No other action by the Board is necessary for the filing of Amendment No. 1.

(b) Questions regarding this rule filing may be directed to Vincent Meehan, Assistant General Counsel (202-591-4208, [meehanv@pcaobus.org](mailto:meehanv@pcaobus.org)).

3. Board's Statement of the Purpose of, and the Statutory Basis for, Amendment No. 1

(a) Purpose

As originally submitted for Commission approval, the proposed rules would, in relevant part, make Rule 3526 applicable to audits of brokers and dealers. Amendment No. 1 makes a technical correction to the Board's original rule filing. As originally filed, the proposed rules inadvertently omitted the rule text for the proposed amendments to Rule 3526. The purpose of Amendment No. 1 is to correct this omission by including the rule text for the proposed amendments to Rule 3526. Amendment No. 1 would also update a cross-reference in Form 4 that will become outdated if the proposed rules in the original rule filing are approved by the Commission.

(b) Statutory Basis

The statutory basis for Amendment No. 1 is Title I of the Act.

4. Board's Statement on Burden on Competition

Not applicable.

5. Board's Statement on Comments on Amendment No. 1 Received from Members, Participants or Others

On February 28, 2012, the Board issued for public comment a release that, in relevant part, proposed to make Rule 3526 applicable to audits of brokers and dealers.

The Board received 13 comment letters. No commenter opposed Rule 3526's proposed application to broker and dealer audits. The sole commenter that addressed the proposed amendments to Rule 3526 recommended that the Board provide flexibility by allowing auditor judgment in determining the nature of the Rule 3526 communications that should occur in circumstances where those charged with governance and management at a potential audit client are the same individuals. On December 4, 2013, the Board addressed the commenter's recommendation and adopted the proposed amendments to Rule 3526 without change. See PCAOB Release No. 2013-010, at 29-30 (Dec. 4, 2013). As originally filed with the Commission, and published in the Federal Register, however, the Board's adopting release inadvertently omitted the rule text for the proposed changes to Rule 3526. See PCAOB Release No. 2013-010, at A2-14 (Dec. 4, 2013). To correct this mistake, Amendment No. 1 would modify the proposed rules by adding the rule text for Rule 3526.

Amendment No. 1 would also update a cross-reference in the note to Item 3.2.e.1 of Form 4. The Board did not receive comment on this cross-reference, which refers firms to Frequently Asked Questions regarding registration with the Board. The cross-reference included in the proposed rules is accurate, but such FAQs will need to be updated by the Board to reflect changes resulting from the proposed rules (if approved). Anticipating these revisions, which will make the current cross-reference inaccurate, Amendment No. 1 would modify the Form 4 cross-reference by striking the release number and date of the relevant FAQ release.

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 Exchange Act.

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

Pursuant to Section 19(b)(2)(C)(iii) of the Exchange Act, the Board requests accelerated effectiveness for Amendment No. 1. Good cause exists for accelerated effectiveness. The Board initially released the proposed rules, including the rule text for Rule 3526, for public comment on February 28, 2012. As discussed above, no commenter opposed the proposed application of Rule 3526 to broker and dealer audits. The rule text added by Amendment No. 1 is identical to the proposed rule text, and its inclusion in the proposed rules is incidental to the Board's December 4, 2013 adoption of the proposed changes to Rule 3526. In adopting the proposed changes to Rule 3526, the Board said, "It is as important that those persons discharging the responsibilities to engage, compensate and oversee an independent auditor at a broker or dealer, as it is for an issuer's audit committee, to be advised by the auditor of any relationships that reasonably may be thought to bear on the auditor's independence. The Board, therefore, is making Rule 3526 applicable to audits of brokers and dealers." See PCAOB Release No. 2013-010, at 29 (Dec. 4, 2013). The update to the cross-reference in Form 4 will avoid confusion but is otherwise non-substantive and technical. In order to avoid an unnecessary delay to the June 1, 2014 effective date of the proposed rules (if approved by the Commission), the Board respectfully requests that the Commission find good cause to approve the proposed rules, as modified by Amendment No. 1, prior to the thirtieth day after the date of the publication of notice of the Amendment No. 1 filing in the Federal Register.

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

Not applicable.

9. Exhibits

Exhibit A – Text of Amendment No. 1 to the Proposed Rules.

Exhibit 1 – Not applicable.

Exhibit 2(a)(A) – None since original rule filing.

Exhibit 2(a)(B) – None since original rule filing.

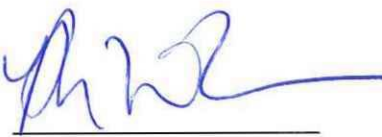
Exhibit 2(a)(C) – None since original rule filing.

Exhibit 4 – Text of Amendment No. 1, Marked to Show Changes from Text of Previously Submitted Proposed Rules.

10. Signatures

Pursuant to the requirements of the Act and the Exchange Act, 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:   
\_\_\_\_\_

Phoebe W. Brown

Secretary

March 12, 2014

EXHIBIT A – TEXT OF AMENDMENT NO. 1

AMENDMENTS TO BOARD RULES AND FORMS

The Board is amending Rule 3526 and Form 4 as set forth below. Language deleted by these amendments is bracketed. Added language is underlined.

RULES OF THE BOARD

SECTION 3. PROFESSIONAL STANDARDS

Rule 3526. Communication with Audit Committees Concerning Independence

A registered public accounting firm must –

(a) prior to accepting an initial engagement pursuant to the standards of the PCAOB

–

(1) describe, in writing, to the audit committee of the [issuer] potential audit client, all relationships between the registered public accounting firm or any affiliates of the firm and the potential audit client or persons in financial reporting oversight roles at the potential audit client that, as of the date of the communication, may reasonably be thought to bear on independence;

(2) discuss with the audit committee of the [issuer] potential audit client the potential effects of the relationships described in subsection (a)(1) on the independence of the registered public accounting firm, should it be appointed the [issuer's] potential audit client's auditor; and

(3) document the substance of its discussion with the audit committee of the [issuer] potential audit client.

(b) at least annually with respect to each of its [issuer] audit clients –

(1) describe, in writing, to the audit committee of the [issuer] audit client, all

relationships between the registered public accounting firm or any affiliates of the firm and the audit client or persons in financial reporting oversight roles at the audit client that, as of the date of the communication, may reasonably be thought to bear on independence;

(2) discuss with the audit committee of the [issuer] audit client the potential effects of the relationships described in subsection (b)(1) on the independence of the registered public accounting firm;

(3) affirm to the audit committee of the [issuer] audit client, in writing, that, as of the date of the communication, the registered public accounting firm is independent in compliance with Rule 3520; and

(4) document the substance of its discussion with the audit committee of the [issuer] audit client.

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FORMS OF THE BOARD

FORM 4 – SUCCEEDING TO REGISTRATION STATUS OF PREDECESSOR

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PART III – CHANGES IN THE FIRM

\* \* \*

Item 3.2 Acquisitions of, or Combinations Involving, A Registered Public Accounting Firm

\* \* \*

e. Provide a "yes" or "no" answer to each of the following questions –

1. Is there identified in Item 3.2.a.2 any entity that, if it were filing an application for registration on Form 1 on the date of the certification in Part V of this Form,



would have to provide an affirmative response to Item 5.1.a of Form 1 in order to file a complete and truthful Form 1?

Note: In considering whether an affirmative response would be required to Item 5.1.a of Form 1, the Firm should take into account the guidance provided in the section on "Certain Proceedings" [by question number 33] in Frequently Asked Questions Regarding Registration with the Board that are posted on the Board's website [, PCAOB Release No. 2003-011A (Nov. 13, 2003)].

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EXHIBIT 4 – Text of Amendment No. 1, Marked to Show Changes from Text of Previously Submitted Proposed Rules.

The Board has amended a pending rule filing in a way that alters the text of its previously submitted proposed rules. Language deleted by Amendment No. 1 is bracketed. Added language is underlined.

RULES OF THE BOARD

Rule 3526. Communication with Audit Committees Concerning Independence

A registered public accounting firm must –

(a) prior to accepting an initial engagement pursuant to the standards of the PCAOB

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(1) describe, in writing, to the audit committee of the potential audit client, all relationships between the registered public accounting firm or any affiliates of the firm and the potential audit client or persons in financial reporting oversight roles at the potential audit client that, as of the date of the communication, may reasonably be thought to bear on independence;

(2) discuss with the audit committee of the potential audit client the potential effects of the relationships described in subsection (a)(1) on the independence of the registered public accounting firm, should it be appointed the potential audit client's auditor; and

(3) document the substance of its discussion with the audit committee of the potential audit client.

(b) at least annually with respect to each of its audit clients –

(1) describe, in writing, to the audit committee of the audit client, all relationships between the registered public accounting firm or any affiliates of the firm and the audit client or persons in financial reporting oversight roles at the audit client that, as of the date of the communication, may reasonably be thought to bear on independence;

(2) discuss with the audit committee of the audit client the potential effects of the relationships described in subsection (b)(1) on the independence of the registered public accounting firm;

(3) affirm to the audit committee of the audit client, in writing, that, as of the date of the communication, the registered public accounting firm is independent in compliance with Rule 3520; and

(4) document the substance of its discussion with the audit committee of the audit client.

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#### FORMS OF THE BOARD

#### FORM 4 – SUCCEEDING TO REGISTRATION STATUS OF PREDECESSOR

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#### PART III – CHANGES IN THE FIRM

\* \* \*

#### Item 3.2 Acquisitions of, or Combinations Involving, A Registered Public Accounting Firm

\* \* \*

e. Provide a "yes" or "no" answer to each of the following questions –

1. Is there identified in Item 3.2.a.2 any entity that, if it were filing an application for registration on Form 1 on the date of the certification in Part V of this Form, would have to provide an affirmative response to Item 5.1.a of Form 1 in order to file a complete and truthful Form 1?

Note: In considering whether an affirmative response would be required to Item 5.1.a of Form 1, the Firm should take into account the guidance provided in the section on "Certain Proceedings" [by question number 33] in Frequently Asked Questions Regarding Registration with the Board that are posted on the Board's website [, PCAOB Release No. 2003-011D (Apr. 28, 2013)].

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