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August 6, 2026

Ms. Phoebe W. Brown
Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006

Re: PCAOB Release No. 2026-005, *Request for Public Comment on PCAOB Standard Setting* (June 23, 2026)

Dear Ms. Brown:

Deloitte & Touche LLP ("our" or "we") is pleased to respond to the Public Company Accounting Oversight Board's (the "PCAOB" or the "Board") *Request for Public Comment on PCAOB Standard Setting* (the "Standard Setting RPC"). We appreciate the Board's commitment to transparency and its decision to seek broad stakeholder input on its approach to standard setting, including its standard-setting and research priorities, and the potential implications of the SEC's recent semiannual reporting proposal.

The Standard Setting RPC presents a valuable opportunity to shape a stakeholder-informed and globally coordinated approach to standard setting that will advance audit quality in a durable and cost-effective manner while preserving the integrity of the U.S. capital markets. Given its link to the PCAOB's *Request for Public Comment: Strategic Priorities* (the "Strategic Priorities RPC") issued on March 31, 2026, we have referenced some of our responses to the Strategic Priorities RPC herein.

Operationalizing Global Alignment

Maintaining a high degree of global alignment in auditing and assurance standards should remain an important strategic priority for the financial-reporting ecosystem, even as differing national and regional approaches emerge to meet local needs. Greater alignment benefits the entire ecosystem: it improves the comparability, consistency, and reliability of information investors rely on, reduces compliance burden for multinational organizations, and lets auditors and regulators apply and oversee standards more consistently, all of which strengthens trust and supports resilient, transparent, and efficient capital markets.

In this context, continued engagement by bodies such as the PCAOB and other global standard-setting organizations (e.g., the IAASB) has the potential to reinforce confidence in globally accepted frameworks and support greater interoperability across jurisdictions. We support the Board's stated intention to consider greater alignment with the IAASB and other standard setters (e.g., the AICPA's Auditing Standards Board (ASB)).

We encourage the Board to formalize its commitment to global alignment when considering a conceptual framework for PCAOB standard setting. We believe an important principle of that framework would be to use the IAASB's standards as the baseline for all new and revised PCAOB standards, supplemented with specific requirements for auditors who are reporting under the standards of the PCAOB to reflect the U.S. regulatory environment (e.g., laws or regulations or particular risks identified through the Board's oversight activities).

Conceptual Framework for Standard Setting

When considering a conceptual framework for PCAOB standard setting, we recommend that the Board draw upon work performed by other standard setters, including the Public Interest Framework (PIF) issued by the Public Interest Oversight Board in coordination with the Monitoring Group,[1] which "sets out the way development and oversight of international audit-related standards are responsive to the *public interest*." The PIF includes a (nonexhaustive) list of qualitative characteristics that audit and assurance standards would be expected to exhibit, including coherence, timeliness, scalability, and implementability that may help inform the Board's work in this area. Consistency in "what good looks like" in developing standards, particularly for cross-border audit engagements, would support global alignment, which is particularly important when engagements involve multiple jurisdictions.

In addition, a conceptual framework that provides a structure or published hierarchy describing the use of standards, nonauthoritative guidance, or other pronouncements, as well as clarified, consistent comment periods and implementation timelines, would be helpful. At the same time, we encourage the Board to develop the framework efficiently, as an extended, multi-year effort risks costing more in time and resources than the framework may ultimately deliver in practical value; drawing on aspects of the PIF would likely accelerate development. The framework itself should also be developed so that it is authoritative and durable, providing stability that is not easily displaced by changes in Board composition.

The Way Forward for Open and Future Standard-Setting Projects

The Standard Setting RPC noted that the Board plans to consider how to address standard-setting priorities within its conceptual framework for standard setting, including that such a framework should address situations in which:

[1] The Monitoring Group is a group of international financial institutions and regulatory bodies committed to advancing the public interest in areas related to international audit standard setting and audit quality. Members include the International Organization of Securities Commissions (IOSCO). IOSCO is governed by a board which comprises 35 organizations, including the U.S. Securities and Exchange Commission. The SEC Deputy Chief Accountant — International is currently the Monitoring Group chair.

- Another standard setter is concurrently working on a similar standard-setting project;

- Another standard setter has already addressed a similar matter through prior standard setting or guidance; or

- Neither the PCAOB nor another standard setter has recently addressed the matter through standard setting or guidance.

We agree with this approach when considering the development of standards on a go-forward basis. Consistent with our support for global alignment, we believe:

- To the extent possible, the PCAOB should collaborate with the IAASB and the ASB on any currently open standard-setting or research projects with consistent objectives. This could occur through PCAOB participation on the IAASB or ASB as member or observer. It could also include joint staffing on an open project or through ongoing formal and informal dialogue as projects progress.

- An important and time-sensitive opportunity exists for greater engagement on the impact of emerging technology, including artificial intelligence (AI), on an audit. We acknowledge the participation of the PCAOB and the SEC on the IAASB's Technology Quality Management Expert Panel as an important step toward coordination and sharing perspectives on a paradigm-shifting topic affecting the entire corporate reporting ecosystem. We believe that additional opportunities may exist to consider how the PCAOB's project on data and technology may be integrated with similar activities the IAASB is considering in this emerging space.

- We recommend that the PCAOB look to recently issued IAASB standards, such as those on fraud (ISA 240 Revised) and noncompliance with laws and regulations (NOCLAR) (ISA 250 Revised), as baselines for similar current or future PCAOB standards covering those topics.

- With respect to matters not yet undertaken by the PCAOB or others, we would encourage the PCAOB to coordinate on shared priorities, research, project scope and objectives, and project plans such that global alignment is recognized as a goal throughout the project. Additional steps to support this direction may include joint projects, joint staffing, consistent implementation guidance, and other techniques to demonstrate the consistency and comparability desired by investors and other participants across the financial reporting ecosystem.

The appendix to our letter provides our views on individual standards and open standard-setting projects.

SEC's Semiannual Reporting Proposal

The SEC's proposed semiannual reporting rule[2] has potential impacts to PCAOB standards in the areas of the underwriter comfort letter framework and auditor involvement with earnings releases or other incomplete financial information. Our views on each matter are summarized below;

[2] SEC Release Nos. 33-11414; 34-105368; 39-2563; IC-36140; File No. S7-2026-15

further detail on related matters, including implications for the control environment and for financial statements of acquired businesses, is provided in our letter to the SEC[3] on its proposal.

- Underwriter comfort letters (PCAOB Auditing Standard (AS) 6101, *Letters for Underwriters and Certain Other Requesting Parties*):
  - As part of assurance provided in connection with comfort letters to underwriters in capital market transactions, underwriters in registered offerings typically request negative assurance over both quarterly financial information and the change period.[4] Under the SEC's proposed semiannual reporting rule, if a semiannual filer elected not to prepare, and have an auditor review (using AS 4105, *Reviews of Interim Financial Information*) quarterly financial statements, auditors would be precluded from providing change period negative assurance beyond 135 days.
  - AS 6101 is already well understood in the underwriting community and has operated effectively in the semiannual reporting environment applicable to foreign private issuers and significant acquirees that meet the definition of a foreign business. That framework could continue to apply when underwriters request comfort in connection with an offering by a voluntary semiannual reporter in the United States, including in scenarios where registration statements include other financial information not otherwise required under SEC rules, such as selected quarterly financial data in an initial public offering or "capsule information" for a recently completed quarter.
  - Removing or extending the 135-day limitation, particularly without intervening review procedures, would increase risk to issuers and investors given the longer period over which events may occur that could cause balances to fluctuate. It would also require auditors to consider what additional procedures are needed, what comfort letter language is appropriate, and what other steps may be necessary to address that increased risk. If the PCAOB modifies AS 6101 or adopts

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[3] See Deloitte's letter regarding the SEC's proposed rule *Semiannual Reporting*.

[4] In evaluating whether to provide negative assurance over the change period, the auditor considers, among other things, the guidance in paragraphs 46 and 47 of PCAOB AS 6101, which states the following, in part:

> .46 If the underwriter requests negative assurance as to subsequent changes in specified financial statement items as of a date less than 135 days from the end of the most recent period for which the accountants have performed an audit or a review, the accountants may provide such negative assurance in the comfort letter. . . .
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> .47 However, if the underwriter requests negative assurance as to subsequent changes in specified financial statement items as of a date 135 days or more subsequent to the end of the most recent period for which the accountants have performed an audit or a review, the accountants may not provide negative assurance but are limited to reporting procedures performed and findings obtained. . . .

other standards, it should consider measures that mitigate such risk while preserving a consistently applicable framework.

- Auditor involvement with incomplete financial information (AS 4105):
    - AS 4105 applies to reviews of interim financial information prepared in accordance with U.S. GAAP and currently does not provide a basis for auditor involvement with incomplete financial statements (such as those a company may provide as part of an earnings release). This is a limitation with significant practical implications for semiannual reporters who may wish to have their auditors involved with that information in some capacity. Any such association would require further PCAOB standard setting and a framework for companies to follow in preparing and presenting that information. The Board should proactively address this gap, including whether AS 4105 needs amendment, how any new framework would interact with existing AS 4105 requirements, and whether required versus voluntary auditor involvement should be treated differently.

Conclusion

We appreciate the opportunity to contribute to the Board's deliberations on its standard-setting agenda and approach. The decisions the Board makes in response to this RPC will define the relevance and effectiveness of PCAOB auditing standards for years to come. We encourage the Board to pursue a deliberate, evidence-based agenda that prioritizes audit quality improvements with durable impact, avoids overloading the profession with standards that add compliance burden without measurable benefit, and is deeply coordinated with the IAASB, the SEC, and the broader international standard-setting community.

We welcome the opportunity to discuss any of the views expressed in this letter with the Board and its staff at their convenience.

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If you have any questions or would like to discuss our views further, please contact Trevor Barton at (402) 444-1818 or Bill Calder at (571) 766-7799.

Sincerely,

Deloitte + Touche LLP

Deloitte & Touche LLP

APPENDIX: STANDARD-SETTING AND RESEARCH PRIORITIES

In this appendix, we offer views on prioritization, sequencing, and approach to standard-setting and research. We also encourage the Board to adopt several process improvements that would strengthen standard setting generally. Project prioritization should be grounded in inspection evidence, auditor performance data, and diverse stakeholder input (e.g., audit firms, advisory boards, investors, and academics), with the Board remaining vigilant against standards saturation. The Board should also use staff guidance more systematically, to close the gap between how standards are applied in the field and how they are evaluated after the fact through inspection. The specific recommendations that follow should be read against this backdrop.

The recommendations below follow the three scenarios described in the Way Forward section, supplemented by two additional categories: (1) matters unique to the U.S. regulatory environment and (2) items we believe do not warrant Board attention at this time. For research projects or standard-setting activities previously on the PCAOB's standard-setting and research agenda that are not mentioned below, we recommend research to determine the appropriate course of action.

Short-Term Priorities: Concurrent Projects at Other Standard Setters

- **Technology, including AI.** Addressing the implications of evolving technology, including AI, is among the most consequential items on the Board's agenda, and we encourage the Board to prioritize it accordingly, consistent with our recommendation to consider the IAASB's standards as a baseline for PCAOB standard setting. The pace of change makes sequencing and discipline essential; moving too quickly risks requirements too narrow or prescriptive to remain fit for purpose, while moving too slowly leaves auditors without the guidance they need in a rapidly evolving environment. We recommend the Board approach this topic in two phases.

  1. Near term, the Board's priority should be to deepen its understanding of how AI is being deployed by issuers in financial reporting and internal control and by auditors in performing audits, and translate that understanding into practical guidance for auditors (e.g., staff guidance, practical aids, or spotlight publications). The PCAOB's research project on data and technology should draw substantially on the IAASB's Technology Quality Management initiative, alongside what the Board observes through inspections and direct engagement with firms on the tools and governance frameworks they use. To bring rigor and breadth to this effort, we encourage the Board to convene a formal advisory group of issuers; auditors; and technology, data science, and AI governance specialists (consistent with our recommendation in response to the Strategic Priorities RPC), with attention to areas in which U.S.-specific considerations may warrant a different approach. Staff guidance from this process would give auditors a practical framework for AI-related issues without establishing requirements before the landscape is sufficiently understood.

     Because the auditor's work follows from the frameworks issuers apply, coordinated guidance addressing both management's responsibilities in deploying AI and auditors' corresponding considerations would set clearer expectations for both parties from the outset. We encourage the Board to engage with the SEC, given the mutual benefit of coordinated action.

2. Longer term, the Board should take a holistic view of how its standards need to evolve in an increasingly technology-enabled environment. The PCAOB's principles-based standards largely accommodate technology developments, including AI, at the conceptual level, but some areas may need more specific guidance or, ultimately, targeted standard changes to ensure consistent auditor execution. Before concluding where and how to act, the Board should research where the most significant gaps exist, taking into account those the IAASB has already identified. Using staff guidance to meet near-term needs while standards are developed deliberately, and in alignment with the IAASB, will produce more durable outcomes than fragmented, simultaneous standard-setting across numerous areas.

- **Digital Assets.** We appreciate the PCAOB's continued attention to the audit implications of digital assets. The profession has generally been able to apply existing PCAOB standards to audits involving digital assets, even as the market continues to evolve. We recommend that the PCAOB add a research project to its agenda and continue engagement with the profession to understand how existing standards are being applied and whether further guidance or standard-setting is warranted. This research could address emerging areas including tokenization of real-world assets, private key safeguarding, and the reliability of blockchain information used as audit evidence. The AICPA's *Accounting for and Auditing of Digital Assets* practice aid, along with input from the PCAOB's Standards and Emerging Issues Advisory Group (SEIAG) and the SEC's Crypto Task Force, offer useful starting points for this research.

Short-Term Priorities: Recently Completed by Other Standard Setters

- **Fraud (AS 2401) and Noncompliance with Laws and Regulations (NOCLAR) (AS 2405).** We support prioritizing the modernization of AS 2401, *Consideration of Fraud in a Financial Statement Audit*, and AS 2405, *Illegal Acts by Clients*, and we recommend that the Board address these two standards at the same time given their interrelationship. IAASB ISA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, and ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*, provide a strong and current baseline from which the Board should begin. Leveraging the IAASB's work would accelerate the modernization effort, reduce unnecessary divergence that creates unnecessary complexity, and allow the Board to focus its deliberations on areas in which U.S.-specific investor protection requirements may justify departure from the international standard.

- **Going Concern (AS 2415).** As the IAASB has recently completed a project on this topic, and given the continuing interest from stakeholders, we support prioritizing the modernization of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*. Additionally, we believe this could also provide for better alignment of auditor responsibilities with management's responsibilities under the accounting standards.

Short-Term Priorities: Independence Rules and Standards

- **Independence.** Certain of the Board's ethics and independence rules and standards have not kept pace with changes in practice and regulation since they were adopted, in some cases decades ago, diverting the audit committee's attention from relationships and services more likely to threaten an accounting firm's objectivity and impartiality and creating regulatory confusion or imposing administrative burdens without a corresponding investor benefit. We encourage the Board to modernize these rules and standards so that accounting firms and audit committees can more effectively fulfill their respective gatekeeper functions and strengthen investor protection. Modernization could be performed in the following areas:

    - **Interim Ethics and Independence Standards.** Retaining these interim standards, comprising the AICPA and Independence Standards Board (ISB) standards in effect in 2003, overlooks 20 years of SEC and AICPA efforts to strengthen investor protection, improve market efficiency, and reduce the cost of capital for issuers and companies seeking to go public. We appreciate and support the Board's project evaluating whether these standards should be "amended, replaced, or eliminated."

    - **Overlap with SEC Requirements.** Certain PCAOB independence rules substantially overlap with SEC requirements without addressing a distinct risk; they consume time and resources that could otherwise go toward matters with a genuine bearing on auditor independence. We encourage the Board to undertake a rule-by-rule review of its remaining independence rules to identify and eliminate any remaining overlap with SEC requirements.

    - **Rule 3526, *Communication with Audit Committees Concerning Independence*.** We suggest incorporating this rule into AS 1301, *Communications with Audit Committees*, so that all communications related to an accounting firm's appointment and oversight reside in a single standard. This would achieve greater consistency for audit committee communications and documentation without any loss of substance.

  We welcome the opportunity to engage in further discussions and provide additional details on specific rules and standards.

Projects That Do Not Need to Be Undertaken at This Time

- **Critical Audit Matters (CAM).** We are aware that some investors and investor advocates continue to call for expanded CAM definitions and more granular disclosures, but we believe any such engagement must begin with a threshold question: what evidence suggests the current framework is not working? In our view, consistent application across firms and the absence of significant inspection findings related to CAM identification both point toward a framework operating as designed, rather than a systemic failure requiring regulatory intervention. Accordingly, we encourage the Board to conduct additional research before reaching any conclusions about the need for standard-setting action and to evaluate explicitly whether expanded requirements would improve audit quality or simply increase compliance costs without a corresponding investor benefit.

- **Firm and Engagement Performance Metrics.** We support transparency and already provide extensive public information through our website, Audit Quality Report, and Transparency Report but do not believe mandatory public disclosure of firm and engagement metrics should be a PCAOB priority. We remain unconvinced that required public disclosure of engagement-level metrics such as those previously proposed by the PCAOB would produce consistent or comparable information about audit quality given the unique circumstances of each audit. The costs of implementation likely would be substantial, and the value of such metrics speculative, raising the risk of confusing, rather than informing, stakeholders. If the PCAOB determines this topic warrants further attention, the measured approach outlined in the Standard Setting RPC agenda is the appropriate path forward.

- **Interim Attestation Standards.** The PCAOB's interim attestation standards, adopted from the AICPA on an interim basis in 2003, are used in relatively few engagements today — a point made in the Board's own 2022 request for information on the application and use of these standards. Given that limited usage, we do not believe modernizing these standards warrants the same priority as other items on the Board's standard-setting agenda, and we encourage the Board to treat this project accordingly. Should the Board nonetheless decide to modernize these standards, we recommend that it look first to standard setters that have already updated the equivalent attestation standards, including the ASB and the IAASB, as a baseline, consistent with our broader recommendation that such standards serve as a starting point for PCAOB standard setting.

Other Considerations

- **Accommodations for Non-U.S. Firms.** We suggest that the Board consider accommodations for non-U.S. firms registered with the PCAOB, many of which issue audit opinions for a very limited number of issuers that are based in their home country and/or are required to register only because they participate in (but do not lead) an audit of an issuer. Congress expressly authorized the PCAOB to exempt foreign firms from the Board's rules. We understand that the PCAOB originally determined largely not to modify its regulatory approach for non-U.S. firms, in part because at the time the PCAOB was established, few countries had equivalent independent audit regulators. In the intervening years, however, independent regulation of the audit profession outside the United States has increased substantially. This is evidenced by the fact that between its founding in 2006 and today, the International Forum of Independent Audit Regulators (IFIAR), in which the PCAOB has taken a leadership role, has grown from 18 members to 56.[5] We note that regulators in other countries have adopted special regimes for so-called "third country auditors" that include adapted disclosure and inspection requirements that acknowledge the firm's home regulatory regime.[6] Similar accommodations for non-U.S. firms registered with the PCAOB could be constructed in a way that would reduce the costs and burdens of registration without limiting the PCAOB's ability to exercise its authority when needed.

[5] *See* https://www.ifiar.org/about/.

[6] See Regulation (EU) No 537/2014 of European Parliament and of the Council of 16 April 2014.

- **Annual and Special Reporting.** The PCAOB has not substantively updated its annual and special reporting requirements since 2008. We believe the registration and reporting system would benefit from modernization of both form and content.

  We encourage the Board to consider changes that would improve the usability of information contained in public PCAOB filings. For example, registered firms' annual (Form 2) and special (Form 3) reports are required to be filed in a static PDF format, which can require readers to navigate through large documents (including pages of blank portions of forms), or even multiple documents, to locate specific information. The Board should consider ways to modernize its registration and reporting system to allow readers to locate relevant information more quickly and easily, including by redesigning the forms and updating the technology used to file them, so that users can easily locate the relevant portions as completed by a firm. The approach the Board took to Form AP, which provides more ready access to information, could serve as a model for improvements to other forms.

  We also encourage the Board to consider whether all its current disclosure requirements remain relevant or whether some may have become redundant or otherwise unnecessary. For example, Form 2 requires a list of every audit report a firm has issued during the reporting period in several categories and in a format that is difficult to navigate. This information is largely redundant, given information firms publicly provide on Form AP. The Board might also consider whether other information it determined to collect when Form 2 was adopted nearly 20 years ago has been used by the PCAOB or other stakeholders in the intervening years, and if not, remove those requirements (e.g., separate lists of the number of accountants and the number of CPAs, or the list of each office of a large firm). We also suggest the Board consider setting materiality or de minimis thresholds for some of its detailed filing requirements (e.g., Form 2 and Form AP) to better balance the costs and benefits of preparing and reporting the information.