From: CPA Jim <chinayuanji@gmail.com>
Sent: Sunday, June 28, 2026 9:43 AM
To: Comments
Subject: [EXT]: Request for Public Comment on PCAOB Standard Setting

This is Jim(X account: CPAJim2021), an investor of US listed companies and a political refugee fleeing from China with former focus on CPA audit practice in China, including experience in audit quality review, with knowledge mainly on Chinese Accounting Standards and China's corporate accounting practice. I make comments to the questions as below, based on risks in reporting of related party transactions and totalitarian control or united front work influence of Chinese Communist Party.

Question 1 – Do you believe that the PCAOB should focus our standard-setting and research activities in areas discussed in the table above? How would you approach these areas (e.g., conduct further research, issue staff guidance, or advance to standard setting)? How would you prioritize these areas? Are there areas not listed in the table above that the PCAOB should prioritize?
Comment: Chinese Communist Party established branches or committees in subsidiaries/associates or outsourced third-party human resource contractors of US listed companies and in CPA auditors. They have to follow the charter of Chinese Communist Party. The fact has a pervasive effect on Auditor Independence, Fraud, Internal Control, Related Party Relationship and Transactions, and many other areas. The pervasive effect may be equal to that of events leading to disclaimer of opinion or adverse opinion. Many Chinese companies, as investees of US companies, are owned by trade unions or individual investors nominally, but trade unions or individual investors associated with the People's Liberation Army or Chinese Communist Party through laws,
charter, special arrangement or other schemes. It is unknown whether
this can be addressed by standard setting alone. It is a very serious problem.

Question 2 – Do you have any views not previously shared regarding the scope and objectives of potential standard setting or research in areas discussed in the table above? If yes, what specifically should the PCAOB focus on in each of these areas?
No.

Question 3 – In areas where you believe issuing staff guidance would be preferable to amending PCAOB standards, what matters should guidance specifically address?
Related party transaction reporting and conflict of interest issues may be addressed through issuing staff guidance, for examples, two companies both influenced/controlled by Chinese Communist Party, a Leninist organization with substantial control/influence activities either publicly or secretly. Or: CPA auditor firm's employees conducting audit are members of Chinese Communist Party or trade unions subject to Chinese Communist Party(CCP), while the auditees are influenced/controlled by Chinese Communist Party.

Question 4 – In addition to performing standard-setting or research activities in the potential focus areas, should the PCAOB undertake modernization of the remaining “interim” PCAOB standards (including those discussed by commenters, e.g., going concern, inventory, use of service organizations, use of internal auditors)? If the standards were to be updated on an individual basis, which standards should we prioritize?
Comment: going concern, use of service organizations, and use of internal auditors should be prioritized, considering that employees in service organizations and internal auditors being members of CCP may constitute conflict of interest. Besides factors of CCP, going concern may become an issue when US listed companies struggle to get money, which appear very large in consolidated statement of balance sheet, converted to US dollars from Chinese Yuan when CCP effects strict restriction of such conversion or wiring out of China.

Question 5 – Some users of PCAOB standards have expressed concern about the accelerated pace of standard setting and length of comment periods to react to proposals. What would be the preferred length of comment periods to enable stakeholders to fully analyze and respond to proposals? What factors should be taken into account when determining the length of the comment period?
Comment: Factors that should be taken into account when determining the length of the comment period may include country that gives rise to standard setting needs.

Question 17 – What topics should be the highest priority for alignment and why? Should alignment with IAASB standards be given higher priority than alignment with standards of other standard setters and why?
Comment: Alignment with both IAASB standards and standards of other standard setters should not be priority to eliminate contamination risk of CCP united front work.

Question 18 – Should alignment be considered prospectively, i.e., when conducting future standard-setting projects, or should the PCAOB also examine previously completed standard-setting projects to determine if additional alignment would be feasible and appropriate? Should the PCAOB prioritize aligning its standard-setting agenda with those of other standard setters (as opposed to seeking to align specific standards)?
Comment: No.

Question 19 – Should the PCAOB establish formal means to work collaboratively with other standard setters, such as seeking to develop certain projects jointly?
Comment: Never.

This email is sent in response to the following email of PCAOB:

News Release

PCAOB Seeks Stakeholder Input on Its Standard-Setting and Research Agendas

WASHINGTON, June 23, 2026

The Public Company Accounting Oversight Board (PCAOB) today opened a public comment period for stakeholders to provide input on potential future areas of focus for standard setting, building on the dialogue initiated with the standard-setting-related questions included in its Strategic Priorities Request for Comment in March. The PCAOB is also seeking feedback on revisiting its general approach to standard setting and considering the potential impact of the recent SEC proposal regarding semiannual reporting on the PCAOB's suite of standards.

"As we continue to advance our standard-setting and research activities, our agendas must evolve with the audit and financial reporting ecosystem," said Chairman Demetrios (Jim) Logothetis. "This open comment period will allow us to hear directly from stakeholders as we refine our priorities, ensuring that our efforts remain focused, practical, and aligned with the needs of today's investors and capital markets."