



September 24, 2025

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Re: Public Company Accounting Oversight Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Postponing the Effective Date of Amendments to Board Standards, Rules, and Forms Adopted on May 13, 2024 (Release No. 34-103803; File No. PCAOB-2025-01) (August 28, 2025)**

Dear Ms. Countryman:

The U.S. Chamber of Commerce (“Chamber”) Center for Capital Markets Competitiveness appreciates the opportunity to comment on the Securities and Exchange Commission (“SEC” or “Commission”) Notice of Filing and Immediate Effectiveness of the Public Company Accounting Oversight Board (“PCAOB” or “Board”) Proposed Rule Change (“Proposed Rule Change”) that postpones the effective date of amendments to Board standards, rules, and forms related to QC 1000, *A Firm’s System of Quality Control* (“QC 1000”), adopted by the PCAOB on May 13, 2024.

The Chamber applauds the Board for adopting the Proposed Rule Change that delays the effective date of QC 1000 (including the related new and amended PCAOB standards, rules, and forms) by one year – from December 15, 2025 to December 15, 2026. The Chamber strongly supports the Proposed Rule Change and the Board and SEC approach of making it immediately effective pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934 and paragraph (f) of Rule 19b-4 thereunder.<sup>1</sup>

QC 1000 represents one of the most significant, pervasive, and complex standards in recent PCAOB history.<sup>2</sup> Yet, as PCAOB Board Member Ho stated,

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<sup>1</sup> See Securities and Exchange Commission [Release No. 34-103803; File No. PCAOB-2025-01] Public Company Accounting Oversight Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Postponing the Effective Date of Amendments to Board Standards, Rules, and Forms Adopted on May 13, 2024 (August 28, 2025).

<sup>2</sup> For example, see the letter to the PCAOB from the Center for Audit Quality on *PCAOB Standard A Firm’s System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms* (SEC Release No. 34-100968) dated July 23, 2025.

“approval of this standard was unduly aggressive and ultimately counterproductive to our mission of protecting investors in our capital markets.”<sup>3</sup> For example, QC 1000 allows only a 15-month implementation period, despite concerns about such a condensed period expressed by commenters before the new requirements were finalized.<sup>4</sup> Commissioner Uyeda noted in his dissent on the finalization of QC 1000 that, “...it would have been prudent for the Commission to extend the process to allow for a thoughtful consideration of the standard, particularly the EQCF requirement.”<sup>5</sup> Commissioner Peirce stated, “Getting the quality control standard right, however, would have required more time for additional pointed questions, comment, reflection, and revision.”<sup>6</sup>

It is widely recognized that auditing standards are only as good as their implementation.<sup>7</sup> However, both U.S. and foreign audit firms of all sizes have faced challenges in implementing QC 1000. Delaying the effective date will provide audit firms with the additional time needed to continue to identify and address challenges encountered in implementing QC 1000 and related amendments.<sup>8</sup> The Proposed Rule Change will enable a more effective implementation of QC 1000 in the interests of audit quality, investors, and the PCAOB’s investor protection mission.

In part, challenges have occurred because of substantial differences between the PCAOB’s requirements and those of both the International Auditing and Assurance Standards Board’s (“IAASB”) International Standard on Quality Management 1 (“ISQM 1”), effective as of December 15, 2022, and the American Institute of Certified Public Accountants’ (“AICPA”) Statement on Quality Management Standards 1 (“SQMS 1”), effective as of December 15, 2025.

Further, challenges have arisen from some of the prescriptive requirements in QC 1000. For example, firms of all sizes are facing the need to make operational restructurings (e.g., in assignments of roles and responsibilities), invest in necessary

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<sup>3</sup> See *Statement on the QC 1000 Effective Date Extension – Good Blooms When Reason Prevails* by Board Member Christina Ho (August 28, 2025).

<sup>4</sup> For example, see the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on *A Firm’s System of Quality Control and Related Amendments to PCAOB Standards* dated July 15, 2024.

<sup>5</sup> See *Statement on the PCAOB’s Quality Control Standard – QC 1000 – Commissioner Mark Uyeda* (September 9, 2024)

<sup>6</sup> *SEC as EQCF: Statement on Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules on a Firm’s System of Quality Control and Related Amendments to PCAOB Standards – Commissioner Hester Peirce* (September 9, 2024)

<sup>7</sup> For example, see remarks by former SEC Chief Accountant Paul Munter at the University of Southern California-Financial Executives Research Foundation 42<sup>nd</sup> Annual SEC and Financial Reporting Conference on June 6, 2023 and the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on *A Firm’s System of Quality Control and Related Amendments to PCAOB Standards* dated July 15, 2024.

<sup>8</sup> For example, see the letter to the PCAOB from the Center for Audit Quality on *PCAOB Standard A Firm’s System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms* (SEC Release No. 34-100968) dated July 23, 2025.

technology (e.g., in automated independence systems and in-process engagement monitoring systems by audit firms meeting the 100-issuer threshold), and commit significant resources to meet the new, complex, and prescriptive requirements in QC 1000.

As noted by Board Member Ho, a one-year extension also provides the PCAOB an “opportunity to re-evaluate QC 1000 and related amendments and consider whether there may be a more pragmatic, cost-effective, and principle-based regulatory path.”<sup>9</sup> Others, including the Center for Audit Quality (“CAQ”),<sup>10</sup> have likewise expressed concerns that reinforce the need for targeted revisions to QC 1000 to enhance the scalability of the standard, address unintended consequences, and consider the implications of unanticipated costs.

Concerns, many of which were raised during the standard-setting process,<sup>11</sup> that represent areas for targeted improvements include (but are not limited to) the following:

- The design-only requirement applicable to PCAOB registered but inactive audit firms;<sup>12</sup>
- The new requirement for an external quality control function (“EQCF”) for firms that issue audit reports with respect to more than 100 issuers;
- Documentation along with other prescriptive requirements (such as on the assignment of roles and responsibilities and for the evaluation framework and September 30<sup>th</sup> evaluation date) that are not aligned with the requirements in ISQM 1 and SQMS 1; and
- A phased implementation of QC 1000 with a deferral of the effective date to allow one additional year for smaller audit firms (i.e., those that audit fewer than 100 issuers).

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<sup>9</sup> See *Statement on the QC 1000 Effective Date Extension – Good Blooms When Reason Prevails* by Board Member Christina Ho (August 28, 2025).

<sup>10</sup> See the letter to the PCAOB from the Center for Audit Quality on *PCAOB Standard A Firm’s System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms* (SEC Release No. 34-100968) dated July 23, 2025.

<sup>11</sup> For example, see the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on *A Firm’s System of Quality Control and Related Amendments to PCAOB Standards* dated July 15, 2024 and the letter to the PCAOB from the Center for Audit Quality on *PCAOB Standard A Firm’s System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms* (SEC Release No. 34-100968) dated July 23, 2025.

<sup>12</sup> Inactive firms do not render audit reports on issuer or broker-dealer engagements or play a substantial role in such engagements and are not inspected by the PCAOB.

In addition to the areas above that deserve reconsideration and would likely require substance changes in QC 1000 through rulemaking, a delay in the implementation of QC 1000 provides an opportunity for the PCAOB to issue written guidance in response to the questions that have surfaced on interpreting various provisions in QC 1000 as audit firms implement the new requirements. The Chamber appreciates that PCAOB staff have held educational sessions, provided resources (including videos, knowledge checks, and workshops), and informally responded to individual inquiries.

However, any interpretive guidance provided during PCAOB staff activities to date lacks transparency and is not broadly available. Written interpretive guidance available to all (including those internal to the PCAOB – such as inspection staff) is essential.

In the past, the PCAOB has issued written interpretive guidance on the implementation of PCAOB standards and rules in the form of Staff Questions and Answers, Staff Guidance – Preliminary Staff Views, Auditing Interpretations, and Staff Questions and Answers. This guidance is available on the PCAOB's website. A delay in the effective date of QC 1000 will allow the PCAOB time to likewise issue necessary written interpretive guidance on QC 1000.

Relatedly, challenges in the implementation of QC 1000 reinforce the need for the PCAOB to establish a formal consultation process to address firm-specific questions in the implementation and application of PCAOB auditing standards. The Chamber recommends that the PCAOB use a delay in the effective date of QC 1000 as an opportunity to establish a consultation process and provide transparency on that process – similar to the approach of the SEC's Office of the Chief Accountant ("OCA") that provides protocols and other information on OCA's consultation process on the SEC's website.

In conclusion, the delay in the implementation of QC 1000 and related amendments represents a much-needed regulatory action in the service of audit quality and the PCAOB's investor protection mission.

Thank you for your consideration and we stand ready to discuss these matters with you further.

Sincerely,

A handwritten signature in black ink on a light-colored background. The signature reads "William R. Hulse" in a cursive script. The first name "William" is written with a large, stylized 'W' and a long horizontal stroke extending to the right. The middle initial "R" is written in a simple, bold, cursive style. The last name "Hulse" is written in a cursive script with a long horizontal stroke extending to the right.

Bill Hulse  
Senior Vice President  
Center for Capital Markets Competitiveness  
U.S. Chamber of Commerce