In order to provide transparency about its international inspection program, the Public Company Accounting Oversight Board provided today its biannual update about the status of the inspections of registered non-U.S. firms. Specifically, in order to provide investors and the public with information about the PCAOB’s international inspection efforts, the Board today –

- updated two lists that provide information about the status of inspections in certain jurisdictions and of certain firms; and
- reported on its progress in meeting target thresholds announced by the PCAOB in adopting PCAOB Rule 4003(g) for inspections of certain non-U.S. firms.

**UPDATED LIST OF JURISDICTIONS**

The PCAOB updated today a previously published list of jurisdictions in which there are registered non-U.S. firms that are currently required to be inspected. The first list includes all of the jurisdictions in which there are one or more registered non-U.S. firms that the PCAOB has already inspected. Today, the Board updated this list to show that, as of June 30, 2010, the PCAOB has conducted inspections of non-U.S. firms in 34 jurisdictions on a cumulative basis.

**UPDATED LIST OF FIRMS**

The second list updated today includes the names of registered firms for which, as of June 30, 2010, the inspection fieldwork had not yet been completed by the PCAOB, even though more than four years have passed since the end of the calendar year in which the firm first issued an audit report while registered with the PCAOB. The Board announced its intention to publicly identify firms meeting that criteria in the release¹ issued in connection with the PCAOB’s adoption of PCAOB Rule 4003(g); and the release² issued in connection with the PCAOB’s adoption of PCAOB Rule 4003(f). This list is updated, at a minimum, on a semiannual basis to add firms that qualify for the list and also to remove firms from the list when the inspection fieldwork has been completed or the firm has voluntarily deregistered from the PCAOB.

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¹ PCAOB Release No. 2009-003, *Final Rule Concerning the Timing of Certain Inspections of Non-U.S. Firms, and Other Issues Relating to Inspections of Non-U.S. Firms* (June 25, 2009),

² PCAOB Release No. 2008-007, *Rule Amendments Concerning the Timing of Certain Inspections of Non-U.S. Firms, and Other Issues Relating to Inspections of Non-U.S. Firms* (Dec. 4, 2008),
Updated Information on PCAOB International Inspections
(As of June 30, 2010)

The reasons that the inspection fieldwork for a firm has not been completed within four years of the firm having issued an audit report while registered with the PCAOB may vary. For example, some firms are included on the list because their inspections were postponed pursuant to Rule 4003(f) or Rule 4003(g), which permit the PCAOB to postpone, for a limited time, the first inspections of certain non-U.S. firms. Certain other firms are included on this list because access to information necessary to inspect the firm has so far been denied on the basis of asserted restrictions under non-U.S. law or objections based on national sovereignty.

Today, the Board updated this list to show that 3 firms have been removed. All of these firms voluntarily withdrew from PCAOB registration. The list also reflects name changes for certain firms. Because inclusion on the list is based on the passage of four years from the end of a calendar year, any additions to the list will occur only at year-end updates.

PROGRESS IN MEETING_THRESHOLDS

The PCAOB today also reported its progress in meeting the target thresholds that it announced in adopting Rule 4003(g), which permits the Board to defer, for up to three years, the first inspection of 49 non-U.S. firms otherwise required to be inspected in 2009. In adopting that rule, the Board stated that it intended to inspect at least four of those firms in 2009 and that the four firms would have combined issuer audit-client U.S. market capitalization equal to at least 35 percent of the aggregate U.S. market capitalization of the audit clients of all firms meeting the Rule 4003(g) criteria for deferral. For 2010, the Board stated that it intended to inspect at least eleven additional firms and that the firms inspected in 2009 and 2010 would have combined issuer audit-client U.S. market capitalization equal to at least 90 percent of the aggregate U.S. market capitalization of the audit clients of all firms meeting the Rule 4003(g) criteria for deferral.

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3 For more detail about these rules and the PCAOB’s reasons for adopting them, please see PCAOB Release No. 2009-003, Final Rule Concerning the Timing of Certain Inspections of Non-U.S. Firms, and Other Issues Relating to Inspections of Non-U.S. Firms (June 25, 2009), issued in connection with the PCAOB’s adoption of PCAOB Rule 4003(g); and PCAOB Release No. 2008-007, Rule Amendments Concerning the Timing of Certain Inspections of Non-U.S. Firms, and Other Issues Relating to Inspections of Non-U.S. Firms (Dec. 4, 2008), issued in connection with the PCAOB’s adoption of PCAOB Rule 4003(f).
Between January 1 and June 30, 2010, the PCAOB inspected no firms that met the Rule 4003(g) criteria for deferral. This was because access to information necessary to conduct the inspections has so far been denied on the basis of asserted restrictions under non-U.S. law. As a result, the PCAOB made no progress between January 1 and June 30 in meeting the target thresholds for U.S. market capitalization discussed above. As previously reported, in 2009, the PCAOB inspected five firms eligible for deferral pursuant to Rule 4003(g), including only two of the four firms that the PCAOB had scheduled for inspection in 2009 based on their clients’ U.S. market capitalization. The combined market capitalization of the clients of those five inspected firms equals two percent of the aggregate market capitalization of the audit clients of all firms meeting the Rule 4003(g) criteria for deferral.

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Future updates to the lists and inspection progress information in this factsheet will be made public on the PCAOB’s Web site and through the PCAOB listserv.