



Paris La Defense, November 3, 2010

Public Company Accounting Oversight Board

Office of the Secretary

1666 K Street, N.W.

Washington, DC 20006, USA

Attention: J. Gordon Seymour, Secretary, and the Members of the Board

Re: PCAOB Release No. 2010-005 - August 5, 2010 - PCAOB Rulemaking Docket Matter No. 31:
Concept Release on Possible Rulemaking Approaches to Complement Application of Section
105(c)(6) of the Sarbanes-Oxley Act of 2002

Dear Sirs,

Mazars is a unique integrated partnership with a global reach. It operates as one integrated international partnership in 56 countries with more than 12,500 professionals, led by more than 600 partners, with 16 additional countries where Mazars is present through correspondents and joint ventures (see Mazars 2009 annual report together with its more recent updates, its 2009 IFRS joint-audited consolidated financial statements, and all the annual reports published since 2005 on <http://www.annualreport.mazars.com/eng/>).

Mazars is one of the founding members of 'Praxity', an alliance of 109 firms operating in 72 countries with more than 24,500 professional, the world's largest alliance of independent accounting firms.

Mazars provides a complete range of audit, accountancy, tax, legal and advisory services, designed to create added-value. Mazars was founded with certain core values: Independence, Competence; Intellectual and Ethical Rigour and Integrity; Sense of Service and Responsibility; Continuity; Respect for Individuals and Diversity.

Mazars is pleased to submit this letter in response to the invitation for public comment on Part II of the Release No. 2010-005, on the Concept Release on Possible Rulemaking Approaches to Complement Application of Section 105(c)(6) of the Sarbanes-Oxley Act of 2002

Before specifically answering the below comment letter questions, we would like to make some general comments about this PCAOB Concept Release. Mazars agrees that the quality of a firm's audit practice is directly affected by the quality of supervision within the firm. A well-crafted document that clearly assigns supervision responsibilities within the audit firms helps to establish supervisory accountability and therefore contribute to the improvement of the overall audit quality.

This objective was also underlined by the European Parliament and Council in the 2006 "Audit" Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (transposed as of today in all member States), stating therefore in its Article 40 "Transparency report" that:

“1. Member States shall ensure that statutory auditors and audit firms that carry out statutory audit(s) of public-interest entities publish on their websites, within three months of the end of each financial year, annual transparency reports that include at least the following:

- (a) a description of the legal structure and ownership;*
- (b) where the audit firm belongs to a network, a description of the network and the legal and structural arrangements in the network;*
- (c) a description of the governance structure of the audit firm;***
- (d) a description of the internal quality control system of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning;***
- (e) an indication of when the last quality assurance review referred to in Article 29 took place;*
- (f) a list of public-interest entities for which the audit firm has carried out statutory audits during the preceding financial year;*
- (g) a statement concerning the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted;***
- (h) a statement on the policy followed by the audit firm concerning the continuing education of statutory auditors referred to in Article 13;*
- (i) financial information showing the importance of the audit firm, such as the total turnover divided into fees from the statutory audit of annual and consolidated accounts, and fees charged for other assurance services, tax advisory services and other non-audit services;*
- (j) information concerning the basis for the partners' remuneration.*

Member States may in exceptional circumstances disapply the requirement in point (f) to the extent necessary to mitigate an imminent and significant threat to the personal security of any person.”

We respectfully submit our detailed comments below. We commend the Board for the transparency of its rulemaking and standard-setting processes.

1. The principal objectives of the type of rulemaking described above would be clarity within firms about accountability for supervisory responsibilities and the creation of documentation identifying lines of accountability.

a. Is it appropriate to pursue the objectives through rulemaking, or are there reasons to pursue those objectives through other means?

Mazars believes it is appropriate to pursue these objectives via rulemaking. The PCAOB standards as written for auditing and quality control are sufficient.

b. How are those objectives typically already being met within firms? On this point, the Board is particularly interested to hear from firms, of varying sizes, their views about how their structures and their existing quality control practices achieve these objectives.

Mazars has adopted and complies with the IFAC's ISQC 1¹ as well as with its Code² of Ethics. Both standards deal effectively with these objectives. With its registered-PCAOB entities, Mazars complies with all of the PCAOB auditing standards and quality control standards dealing with supervisory responsibilities and accountabilities. It should be noted that these IFAC and PCAOB quality control standards converge with those of the AICPA³.

Mazars also bring sense to the market as a pioneer in terms of transparency with the voluntary publication of a Group's annual report including consolidated financial statements certified by independent auditors since 2004. Mazars started to comply with the statutory audit directive for the transparency report as soon as 2006, at global level even if not required by the regulation. And Mazars decided, last year, to publish a group transparency reports in addition to the countries' transparency reports. This year, Mazars continue to do so, by encouraging all our member firms that are not legally submitted to this transparency exercise to publish a country transparency report, on a voluntary basis.

c. The Board is also particularly interested in hearing how investors, audit committees, and others who rely upon audited financial statements view the importance of these objectives.

No comment, as we are not an addressee of the question.

2. To the extent these objectives are pursued through Board rulemaking, are there potential unintended consequences to take care to avoid, i.e., ways in which pursuing the objectives might inadvertently diminish accountability or audit quality?

Mazars strongly suggests that the PCAOB create principles-based rules in these areas; rules that take into account the auditor's professional judgment. Devising cumbersome and bureaucratic supervisory accountability rules, whose costs of implementation outweigh its benefits, could diminish accountability or audit quality in the long term.

3. Are there related or different rulemaking objectives that would complement application of section 105(c)(6) that should be pursued instead of, or in addition to, the objectives described here?

a. In particular, are there ways in which the Board's quality control standards should be revised that would complement or facilitate the application of section 105(c)(6) or otherwise require firms to give increased emphasis to the role of supervision throughout their audit practice?

Mazars believes that the Board's quality control standards should not be revised in order to facilitate the application of section 105(c)(6). The present quality control standards are adequate "as is".

¹ International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" should be read in conjunction with ISA 200, "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing."

² The IFAC Code of Ethics for Professional Accountants and Interpretations apply to all professional accountants, whether in public practice, in business, education, and the public sector.

³ Statement on Quality Control Standards (SQCS) No. 7

4. What are the relative advantages and disadvantages of the two approaches described?

The general approach tends to be more of a principle-based approach. Its main advantages are formulation as guidelines and flexibility. Its drawbacks are that it introduces some room for interpretation with regard to accountability.

The detailed approach appears to be a rule-based approach. Its main advantages are that it is specific and procedural whereas its disadvantages are that it leaves less room for judgment or interpretation.

5. Are there significantly different approaches that might effectively accomplish the relevant objectives?

There are currently no significantly different approaches that might effectively accomplish the relevant objectives. A third approach that combines both the advantages of rules-based and principles-based quality control standards has yet to be promoted.

Today, in certain parts of the world, regulators, oversight bodies, accounting and audit professionals, and public at large prefer principles-based accounting and auditing standards whereas in other parts of the world, preference is for less judgment and interpretation.

6. If the Board were to pursue the more detailed approach described above, how should the Board approach identifying the appropriate degree of detail?

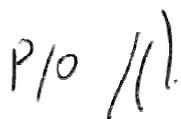
Mazars does not believe that the more detailed approach is suitable in this case.

7. Are there identifiable areas of responsibility that should be included in any such detailed approach even though they do not necessarily correspond to aspects of the QC standards?

Mazars would support a flexible approach that gives latitude to firms to assign responsibility for compliance with any new rule as they see fit.

We hope that our comments above will be useful and we remain available for further considerations. Please feel free to contact us again if you deem it necessary to discuss our submission further.

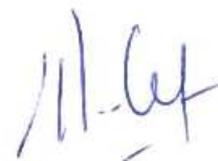
Yours sincerely,



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