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Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803
Norwalk, CT 06856-5116

PCAOB Rulemaking Docket Matter No. 37, "Concept Release on Auditor Independence and Audit Firm Rotation"

Dear Secretary:

I am writing in my capacity as chairman of the audit committee of Invesco Ltd. ("Invesco," or the "Company"). I am pleased to comment on the Public Company Accounting Oversight Board's ("PCAOB") concept release on auditor independence and audit firm rotation. Invesco is a global independent investment management company delivering investment management capabilities through a comprehensive array of investment products and solutions for retail, institutional and high-net-worth clients.

I believe that auditor independence, objectivity, and professional skepticism are the key to quality audits and to investor protection. I do not believe, however, that mandatory audit firm rotation would enhance these components of quality audits or serve to further protect the public interest. In fact, mandatory audit firm rotation would undermine the role of the audit committee and would be very costly, with no link to enhancing audit quality. My reasons are set forth below.

Role of the Audit Committee in Audit Oversight

The Sarbanes-Oxley Act of 2002 strengthened the role of audit committees by making them responsible for the independent oversight of the auditor and the audit process. To force mandatory audit rotation would undermine the role of the audit committee. Invesco's audit committee has processes in place to satisfy these responsibilities, including quarterly private meetings with the external audit firm. The audit firm demonstrates and represents to the audit committee its approach and processes in place to ensure audit quality and integrity, including independent partner review of the audit team work, approach, and positions taken. Oversight and review of these factors, combined with the current mandatory audit partner rotation requirement and the PCAOB audit firm inspection process, put the audit committee in the best position to evaluate the independence and quality of the external audit firm.

Audit Quality

Mandatory audit rotation would negate the benefits built by tenure and an established relationship between an audit firm and a company. Over time, an audit firm develops deep knowledge of a company and the company's industry, which lead to efficient analysis of company and industry-specific issues each reporting period. Mandatory audit rotation would destroy the institutional knowledge that a rotating firm would take with it, clearly causing risk to audit quality and costing the company time and effort to explain and document accounting

positions, both historical and current. The learning curve would be steep and would take several years, putting pressure on audit quality and creating inefficiencies not only for the audit firm, but also for the company.

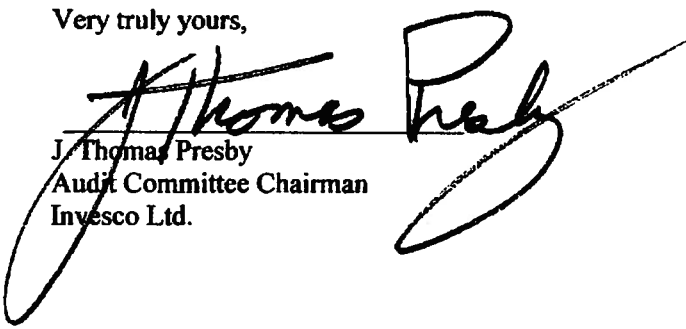
Additionally, Invesco is a global asset manager with offices in more than 20 countries. Many of these subsidiaries require statutory audits, and currently the same global audit firm performs both the audit of the corporate consolidation and the separate audits of the statutory entities within the company. The statutory entity audits lend support and create efficiencies for the performance of the corporate consolidated audit, as there is reliance at the corporate audit level upon work performed at the statutory locations. The selection of an external audit firm with a similar global presence is a requirement for an efficient audit. Certainly the largest accounting firms have this footprint; however, Invesco also utilizes the services of other accounting firms to satisfy its non-audit, tax, and consulting needs. Mandatory audit rotation will create limitations on the company's ability to engage other audit firms to provide non-audit services, as the company will need to ensure that such firms remain viable alternatives for future audit rotations. Mandating audit rotation will severely limit the audit firm candidates who could service a global organization like Invesco due to lack of similar global footprint or prohibitions on being able to perform the audit due to the provision of other non-audit services to the company, creating numerous practical challenges for not only Invesco, but the thousands other public companies who much select from a limited number of qualified audit firms.

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It is apparent in the Concept Release on Auditor Independence and Audit Firm Rotation that there is no evidence linking audit tenure and audit quality. I urge the PCAOB to continue its inspection processes under its current mandate and to perform additional root cause analyses of audit failures before proposing mandatory audit firm rotation.

I would be pleased to discuss my concerns with the Board.

Very truly yours,



J. Thomas Presby
Audit Committee Chairman
Invesco Ltd.