

BYLAWS and RULES

OF THE

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

As of January 29, 2019

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

BYLAWS AND RULES

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

Summary Table of Contents

BYLAWS 1

ETHICS CODE 10

RULES 21

SECTION 1. GENERAL PROVISIONS 21

SECTION 2. REGISTRATION AND REPORTING 35

SECTION 3. PROFESSIONAL STANDARDS 50

SECTION 4. INSPECTIONS 64

SECTION 5. INVESTIGATIONS AND ADJUDICATIONS 74

SECTION 6. INTERNATIONAL 131

SECTION 7. FUNDING 132

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

BYLAWS AND RULES

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

Table of Contents

BYLAWS	1
ARTICLE I – NAME	1
ARTICLE II – OBJECT	1
2.1. Organization.	1
2.2. Exempt Organization Purposes.	1
2.3. Exempt Organization Uses of Earnings and Activities.	1
ARTICLE III – OFFICES.....	2
3.1. Principal Office.	2
3.2. Other Offices.	2
3.3. Agent and Office for Service of Process.	2
ARTICLE IV – GOVERNING BOARD	2
4.1. Composition.	2
4.2. Powers and Duties.	2
4.3. Quorum.	2
4.4. Board Action.	2
4.5. Compensation and Expenses.....	3
ARTICLE V – GOVERNING BOARD MEETINGS	3
5.1. Governing Board Meetings.....	3
5.2. Telephonic Participation	3
ARTICLE VI – OFFICERS.....	4
6.1. General.....	4
6.2. Other Officers.	4
6.3. Powers of the Chief Executive Officer.	4
ARTICLE VII – LIABILITY AND INDEMNIFICATION	6
7.1. No Personal Liability.....	6
7.2. Indemnification.	6
7.3. Insurance.....	8
ARTICLE VIII – BYLAW AMENDMENTS AND RULES OF THE GOVERNING BOARD	8
8.1. Amendments to Bylaws.	8
8.2. Rules.	8
ARTICLE IX – MISCELLANEOUS PROVISIONS	8
9.1. Fiscal Year.	8
9.2. Capital Expenditures.	8

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

9.3.	Selection of Auditor	9
9.4.	Headings	9
9.5.	Variation of Terms	9
9.6.	Severability	9
ETHICS CODE		10
EC1.	Application of Code	10
EC2.	Definitions	10
EC3.	General Principles	12
EC4.	Financial and Employment Interests	13
EC5.	Investments	14
EC6.	Outside Activities	15
EC7.	Gifts, Reimbursements, Honoraria and Other Things of Value	16
EC8.	Disqualification	17
EC9.	Non-Public Information	18
EC10.	Speaking for the Board	18
EC11.	Ethics Officer	18
EC12.	Post-Employment Restrictions	19
EC13.	Waiver	19
EC14.	Certification	20
RULES		21
SECTION 1. GENERAL PROVISIONS		21
Rule 1000.	[Reserved]	21
Rule 1001.	Definitions of Terms Employed in Rules	21
(a)(i)	[Reserved]	21
(a)(ii)	Accountant	21
(a)(iii)	Act	22
(a)(iv)	Associated Entity	22
(a)(v)	Audit	22
(a)(vi)	Audit Report	22
(a)(vii)	Audit Services	23
(a)(viii)	Auditing and Related Professional Practice Standards	23
(a)(ix)	Accounting Board Demand	23
(a)(x)	Accounting Board Request	23
(a)(xi)	Appropriate State Regulatory Authority	24
(a)(xii)	Auditor	24
(b)(i)	Board	24
(b)(ii)	Bar	24

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

(b)(iii) Broker.....	24
(b)(iv) Broker-Dealer Accounting Support Fee.....	24
(c)(i) Commission.....	25
(c)(ii) Counsel.....	25
(c)(iii) Common Equity.....	25
(d)(i) Disciplinary Proceeding.....	25
(d)(ii) Document.....	25
(d)(iii) Dealer.....	26
(e)(i) Exchange Act.....	26
(f)(i) Foreign Public Accounting Firm.....	26
(f)(ii) Foreign Registered Public Accounting Firm.....	26
(f)(iii) Foreign Auditor Oversight Authority.....	26
(h)(i) Hearing Officer.....	26
(i)(i) Issuer Market Capitalization.....	27
(i)(ii) Investment Company Act.....	27
(i)(iii) Issuer.....	27
(i)(iv) Interested Division.....	27
(i)(v) Issuer Accounting Support Fee.....	28
(i)(vi) Invoice.....	28
(n)(i) [Reserved].....	28
(n)(ii) Non-Audit Services.....	28
(n)(iii) Non-U.S. Inspection.....	28
(o)(i) Other Accounting Services.....	28
(o)(ii) Order Instituting Proceedings.....	29
(p)(i) Person Associated With a Public Accounting Firm (and Related Terms) ...	29
(p)(ii) Play a Substantial Role in the Preparation or Furnishing of an Audit Report	30
(p)(iii) Public Accounting Firm.....	31
(p)(iv) Person.....	31
(p)(v) Party.....	31
(p)(vi) Professional Standards.....	31
(r)(i) Registered Public Accounting Firm.....	32
(r)(ii) Rules or Rules of the Board.....	32
(r)(iii) Revocation.....	32
(s)(i) Securities Act.....	32
(s)(ii) Securities Laws.....	33
(s)(iii) State.....	33
(s)(iv) Suspension.....	33
(s)(v) Self-Regulatory Organization.....	33
(s)(vi) Secretary.....	33
(t)(i) Tax Services.....	34

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

(t)(ii) Tentative Net Capital	34
(t)(iii) Total Accounting Support Fee	34
Rule 1002. Time Computation	34
SECTION 2. REGISTRATION AND REPORTING.....	35
Part 1 – Registration of Public Accounting Firms	35
Rule 2100. Registration Requirements for Public Accounting Firms.....	35
Rule 2101. Application for Registration.....	35
Rule 2102. Date of Receipt.....	35
Rule 2103. Registration Fee.....	36
Rule 2104. Signatures.....	36
Rule 2105. Conflicting Non-U.S. Laws.....	36
Rule 2106. Action on Applications for Registration.....	37
(a) Standard for Approval.....	37
(b) Action on Application.....	37
(c) Requests for More Information.....	38
Rule 2107. Withdrawal from Registration	38
(a) Request for Leave to Withdraw	38
(b) Form 1-WD.....	38
(c) Effect of Filing.....	39
(d) Board Action.....	39
(e) Automatic Delay of Withdrawal for Pending Disciplinary Proceedings	39
(f) Withdrawal of Form 1-WD	40
(g) Withdrawal Voided for Material Inaccuracies or Omissions.....	40
Rule 2108. Succeeding to the Registration Status of a Predecessor.....	40
Rule 2109. Procedure for Succeeding to the Registration Status of a Predecessor	42
 Part 2 – Reporting	 43
Rule 2200. Annual Report	43
Rule 2201. Time for Filing of Annual Report.....	43
Rule 2202. Annual Fee	43
Rule 2203. Special Reports	43
Rule 2204. Signatures	44
Rule 2205. Amendments	44
Rule 2206. Date of Filing	45
Rule 2207. Assertions of Conflicts With Non-U.S. Laws.....	45
 Part 3 – Public Availability Of Applications And Reports	 47

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

Rule 2300. Public Availability of Information Submitted to the Board; Confidential Treatment Requests.....	47
SECTION 3. PROFESSIONAL STANDARDS	50
Part 1 – General Requirements.....	50
Rule 3100. Compliance with Auditing and Related Professional Practice Standards.....	50
Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards	50
Rule 3200. Auditing Standards.....	51
Rule 3210. Amendments.....	51
Rule 3211. Auditor Reporting of Certain Audit Participants.....	51
Rule 3300T. Interim Attestation Standards.....	52
Rule 3400T. Interim Quality Control Standards.....	52
Part 5 - Ethics	53
Rule 3500T. Interim Ethics and Independence Standards.....	53
Rule 3501. Definitions of Terms Employed in Section 3, Part 5 of the Rules	54
(a)(i) Affiliate of the Accounting Firm.....	54
(a)(ii) Affiliate of the Audit Client	54
(a)(iii) Audit and Professional Engagement Period	54
(a)(iv) Audit Client	55
(a)(v) Audit Committee	55
(c)(i) Confidential Transaction.....	55
(c)(ii) Contingent Fee	56
(f)(i) Financial Reporting Oversight Role	56
(i)(i) Immediate Family Member	57
(i)(ii) Investment Company Complex	57
Rule 3502. Responsibility Not to Knowingly or Recklessly Contribute to Violations	57
Subpart I - Independence	
Rule 3520. Auditor Independence	58
Rule 3521. Contingent Fees	58
Rule 3522. Tax Transactions.....	58
(a) Confidential Transactions	58
(b) Aggressive Tax Position Transactions.....	58
Rule 3523. Tax Services for Persons in Financial Reporting Oversight Roles	59
Rule 3524. Audit Committee Pre-approval of Certain Tax Services	60
Rule 3525. Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting.....	60
Rule 3526. Communication with Audit Committees Concerning Independence ...	61

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

Part 7 – Establishment of Professional Standards	62
Rule 3700. Advisory Groups.....	62
(a) Formation.....	62
(b) Composition.....	62
(c) Selection of Members of Advisory Groups.....	63
(d) Personal Membership.....	63
(e) Ethical Duties of Advisory Group Members.....	63
(f) Ad Hoc Task Forces.....	63
 SECTION 4. INSPECTIONS.....	 64
Rule 4000. General.....	64
Rule 4001. Regular Inspections.....	64
Rule 4002. Special Inspections.....	64
Rule 4003. Frequency of Inspections	65
Rule 4004. Procedure Regarding Possible Violations	66
Rule 4005. Record Retention and Availability.....	67
Rule 4006. Duty to Cooperate With Inspectors.....	67
Rule 4007. Procedures Concerning Draft Inspection Reports	67
Rule 4008. Procedures Concerning Final Inspection Reports	68
Rule 4009. Firm Response to Quality Control Defects	68
Rule 4010. Board Public Reports.....	69
Rule 4011. Statement by Foreign Registered Public Accounting Firms.....	69
Rule 4012. Inspections of Foreign Registered Public Accounting Firms.....	70
Rule 4020T. Interim Inspection Program Related to Audits of Brokers and Dealers	72
(a) Purposes of Interim Inspection Program.....	72
(b) Definitions.....	72
(c) Interim Program of Inspection.....	72
(d) Reporting.....	73
 SECTION 5. INVESTIGATIONS AND ADJUDICATIONS	 74
Rule 5000. General.....	74
Part 1 – Inquiries and Investigations	74
Rule 5100. Informal Inquiries.....	74
(a) Commencement of an Informal Inquiry.....	74
(b) Informal Inquiry Activities.....	74
Rule 5101. Commencement and Closure of Investigations	74
(a) Commencement of Investigations	74
(b) Closure of Investigations	75

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

Rule 5102. Testimony of Registered Public Accounting Firms and Associated Persons in Investigations.....	75
(a) General.....	75
(b) Accounting Board Demand for Testimony	75
(c) Conduct of Examination	76
(d) Transcript	77
Rule 5103. Demands for Production of Audit Workpapers and Other Documents from Registered Public Accounting Firms and Associated Persons	77
(a) General.....	77
(b) Time and Manner of Production	77
Rule 5104. Examination of Books and Records in Aid of Investigations.....	78
Rule 5105. Requests for Testimony or Production of Documents from Persons Not Associated With Registered Public Accounting Firms	78
(a) Testimony	78
(b) Documents	79
Rule 5106. Assertion of Claim of Privilege.....	79
(a) Required Information Supporting Assertion.....	79
(b) Claims During Testimony	80
(c) Claims Other than During Testimony.....	80
Rule 5107. Uniform Definitions in Demands and Requests for Information	80
(a) General.....	80
(b) Scope	81
(c) Definitions.....	81
(d) Rules of Construction	82
Rule 5108. Confidentiality of Investigatory Records	82
Rule 5109. Rights of Witnesses in Inquiries and Investigations.....	84
(a) Review of Order of Formal Investigation	84
(b) Right to Counsel.....	84
(c) Inspection and Copying	84
(d) Statements of Position.....	84
Rule 5110. Noncooperation with an Investigation.....	85
(a) Grounds for Instituting Proceedings	85
(b) Special and Expedited Procedures.....	85
Rule 5111. Requests for Issuance of Commission Subpoenas in Aid of an Investigation	86
(a) General.....	86
(b) Application for a Subpoena	86
Rule 5112. Coordination and Referral of Investigations.....	86
(a) Commission Notification of Order of Formal Investigation.....	86
(b) Board Referrals of Investigations.....	86

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

(c) Commission-directed Referrals of Investigations.....	87
Rule 5113. Reliance on the Investigations of Non-U.S. Authorities	87
Part 2 – Disciplinary Proceedings	87
Rule 5200. Commencement of Disciplinary Proceedings	87
(a) Grounds for Commencement of Disciplinary Proceedings	87
(b) Presiding Official.....	88
(c) Assignment of a Hearing Officer.....	88
(d) Separation of Functions.....	89
(e) Consolidation of Proceedings.....	89
Rule 5201. Notification of Commencement of Disciplinary Proceedings	90
(a) Notice	90
(b) Content of Order Instituting Proceedings.....	90
(c) Notice of a Hearing on a Registration Application	91
(d) Amendment to Order Instituting Proceedings.....	91
Rule 5202. Record of Disciplinary Proceedings.....	91
(a) Contents of the Record.....	91
(b) Documents Not Admitted.....	93
(c) Substitution of Copies.....	93
(d) Preparation of Record and Certification of Record Index	93
(e) Final Transmittal of Record Items to the Secretary.....	93
Rule 5203. Public and Private Hearings	93
Rule 5204. Determinations in Disciplinary Proceedings	94
(a) Burden of Proof	94
(b) Initial Decision of a Hearing Officer	94
(c) Filing, Service and Publication	94
(d) When Final	94
Rule 5205. Settlement of Disciplinary Proceedings Without a Determination After Hearing	95
(a) Availability	95
(b) Procedure.....	95
(c) Consideration of Offers of Settlement.....	95
Rule 5206. Automatic Stay of Final Disciplinary Actions.....	96
Part 3 – Disciplinary Sanctions.....	97
Rule 5300. Sanctions.....	97
(a) Sanctions in Proceedings Instituted Pursuant to Rule 5200(a)(1) or Rule 5200(a)(2)	97
(b) Sanctions in Proceedings Instituted Pursuant to Rule 5200(a)(3)	98
Rule 5301. Effect of Sanctions.....	99
(a) Effect on Persons	99
(b) Effect on Registered Public Accounting Firms.....	99

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

Rule 5302.	Applications for Relief From, or Modification of, Revocations and Bars	99
(a)	Application for Registration After a Revocation of Registration	99
(b)	Petition to Terminate a Bar	100
(c)	Application for Termination of Other Revocations and Bars	101
(d)	Application for Termination of Sanctions for Noncooperation	102
(e)	Applications for Termination of Other Sanctions.....	102
Rule 5303.	Use of Money Penalties.....	102
Rule 5304.	Summary Suspension for Failure to Pay Money Penalties	102
(a)	Registered Public Accounting Firms.....	102
(b)	Associated Persons.....	103
Part 4 – Rules of Board Procedure		103
Rule 5400.	Hearings	103
Rule 5401.	Appearance and Practice Before the Board	103
(a)	Representing Oneself.....	103
(b)	Representing Others	103
(c)	Designation of Address for Service; Notice of Appearance; Power of Attorney; Withdrawal	103
Rule 5402.	Hearing Officer Disqualification and Withdrawal.....	104
(a)	Motion for Withdrawal.....	104
(b)	Assignment of a Replacement Hearing Officer.....	105
Rule 5403.	Ex Parte Communications	105
Rule 5404.	Service of Papers by Parties	105
Rule 5405.	Filing of Papers With the Board: Procedure	106
(a)	When to File	106
(b)	Where to File	106
Rule 5406.	Filing of Papers: Form	106
(a)	Specifications	106
(b)	Form of Briefs.....	107
Rule 5407.	Filing of Papers: Signature Requirement and Effect.....	107
Rule 5408.	Motions.....	107
(a)	Generally	107
(b)	Opposing and Reply Briefs.....	107
(c)	Length Limitation	108
Rule 5409.	Default and Motions to Set Aside Default	108
(a)	Default.....	108
(b)	Motion to Set Aside Default.....	108
Rule 5410.	Additional Time For Service by Mail	108
Rule 5411.	Modifications of Time, Postponements and Adjournments.....	109

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

Rules 5412. – 5419 [Reserved].....	109
Rule 5420. Stay Requests	109
(a) Leave to Participate to Request a Stay	109
(b) Stay to Protect Ongoing Commission Investigation.....	109
(c) Other Stays	109
Rule 5421. Answer to Allegations	110
(a) When Required.....	110
(b) When to File	110
(c) Contents of Answer and Effect of Failure to Deny.....	110
Rule 5422. Availability of Documents For Inspection and Copying.....	110
(a) Documents to be Available for Inspection and Copying	110
(b) Documents That May Be Withheld	111
(c) Procedures Concerning Withheld Documents	112
(d) Timing of Inspection and Copying	113
(e) Place of Inspection and Copying	113
(f) Copying Costs and Procedures.....	114
(g) Failure to Make Documents Available – Harmless Error	114
Rule 5423. Production of Witness Statements	114
(a) Availability	114
(b) Failure to Produce - Harmless Error	114
(c) Definition of Statement	115
Rule 5424. Accounting Board Demands and Commission Subpoenas	115
(a) Accounting Board Demands and Requests.....	115
(b) Commission Subpoenas.....	116
Rule 5425. Depositions to Preserve Testimony for Hearing	116
(a) Procedure.....	116
(b) Required Finding When Ordering a Deposition	117
(c) Procedure at Depositions	117
(d) Objections to Questions or Evidence.....	117
(e) Filing of Depositions	117
Rule 5426. Prior Sworn Statements of Witnesses in Lieu of Live Testimony.....	118
Rule 5427. Motion for Summary Disposition.....	118
(a) For Interested Division.....	118
(b) For Respondent.....	118
(c) Pre-motion Conference Required.....	119
(d) Decision on Motion	119
(e) Lengths of Briefs.....	119
Rules 5428. – 5439. [Reserved]	119
Rule 5440. Record of Hearings.....	120
(a) Recordation	120

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

(b)	Availability of a Transcript.....	120
(c)	Transcript Correction	120
Rule 5441.	Evidence: Admissibility	120
Rule 5442.	Evidence: Objections and Offers of Proof.....	120
(a)	Objections	120
(b)	Offers of Proof	121
Rule 5443.	Evidence: Presentation Under Oath or Affirmation.....	121
Rule 5444.	Evidence: Presentation, Rebuttal and Cross-examination.....	121
Rule 5445.	Post-hearing Briefs and Other Submissions.....	121
Rules 5446. – 5459.	[Reserved]	122
Rule 5460.	Board Review of Determinations of Hearing Officers	122
(a)	Petition for Review of Initial Decision by Hearing Officers	122
(b)	Review on Board's Initiative.....	122
(c)	De Novo Review.....	122
(d)	Limitations on Matters Reviewed.....	123
(e)	Summary Affirmance	123
Rule 5461.	Interlocutory Review	123
(a)	Availability	123
(b)	Certification Process.....	123
(c)	Proceedings Not Stayed.....	124
Rule 5462.	Briefs Filed with the Board.....	124
(a)	Briefing Schedule Order	124
(b)	Contents of Briefs	125
(c)	Length Limitation	125
Rule 5463.	Oral Argument Before the Board	125
(a)	Availability	125
(b)	Procedure.....	125
(c)	Time Allowed.....	126
(d)	Participation of Board Members	126
Rule 5464.	Additional Evidence	126
Rule 5465.	Record Before the Board.....	126
(a)	Contents of the Record.....	127
(b)	Transmittal of Record to Board.....	127
(c)	Review of Documents Not Admitted	127
Rule 5466.	Reconsideration	127
(a)	Scope of Rule	127
(b)	Procedure.....	127
Rule 5467.	Receipt of Petitions for Commission or Judicial Review	128
Rule 5468.	Appeal of Actions Made Pursuant to Delegated Authority	128
(a)	Notice of Intention to Petition for Review	128

**Public Company Accounting Oversight Board
Bylaws and Rules – Table of Contents**

(b) Petition for Review.....	128
Rule 5469. Board Consideration of Actions Made Pursuant to Delegated Authority	129
(a) Board Review	129
(b) No Stay of Effect of Delegated Action	129
Rules 5470. – 5499 [Reserved].....	129
Part 5 – Hearings on Disapproval of Registration Applications	129
Rule 5500. Commencement of Hearing on Disapproval of a Registration Application	129
Rule 5501. Procedures for a Hearing on Disapproval of a Registration Application	130
SECTION 6. INTERNATIONAL.....	131
Rule 6001. Assisting Non-U.S. Authorities in Inspections.....	131
Rule 6002. Assisting Non-U.S. Authorities in Investigations.....	131
SECTION 7. FUNDING	132
Rule 7000. [Reserved].....	132
Rule 7100. Accounting Support Fees.....	132
Rule 7101. Allocation of Accounting Support Fee.....	132
(a) Classes of Issuers	132
(b) Allocation of Issuer Accounting Support Fee Among Issuers	133
(c) Adjustments.....	134
Rule 7102. Allocation of Broker-Dealer Accounting Support Fee.....	134
(a) Classes of Brokers and Dealers	134
(b) Allocation of Broker-Dealer Accounting Support Fee	135
(c) Adjustments.....	135
Rule 7103. Assessment of Accounting Support Fees.....	136
(a) Amount of Assessment.....	136
(b) Notice of Assessment.....	136
(c) Petition for Correction.....	136
Rule 7104. Collection of Accounting Support Fees.....	137
(a) Accounting Support Fee Payment Due Date.....	137
(b) Determination of Payment of Accounting Support Fee by Registered Accounting Firm	137
(c) Reports of Non-payment.....	138
Rule 7105. Service as Designated Collection Agent.....	139
Rule 7106. Excess Funds.....	139
