

2 July 2003

The Secretary
Securities and Exchange Commission
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20549-0609
USA

**The Institute of
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in England & Wales**

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Dear Mr Katz

File No. PCAOB-2003-03

**Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules
Relating to Registration System**

We write with regard to the above notice, published on your website and dated June 5. We note that the rules proposed to be filed are those published by the PCAOB after amendment following their own consultation on the subject. We wrote to the PCAOB as part of our consultation process and our comment letter is included on the PCAOB website at http://www.pcaobus.org/rules/comments_31-40_2003-001.zip.

We are pleased to see that following the PCAOB's consultation period, some amendments were made to the detail of the proposed registration process, in particular to help mitigate the impact on Foreign Accounting Firms. Nevertheless, we remain concerned about the impact in practice of the application that the Sarbanes Oxley Act, including the PCAOB registration requirements, will have on those firms in their own countries. For example, the disproportionate cost of multiple regulation may lead to further concentration of the audit market. Accordingly, we particularly welcome the PCAOB's deferral of implementation for Foreign Accounting Firms for a further six months and its undertaking to work with foreign regulators to minimise 'unnecessary burdens and conflicting requirements'. In its role as the oversight body for the PCAOB, we trust that the SEC will encourage such activity and we hope to be in touch with the PCAOB to that end in the near future.

Yours sincerely

David J. Illingworth
President