

Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090  
USA  
[Via website](#)

August 11<sup>th</sup> 2017

Dear Mr Secretary

Re File Number PCAOB-2017-01

We write to support the PCAOB proposals in relation to auditor reporting.

By way of background, Aberdeen Asset Management is a global fund management house based in Scotland, with over \$385 billion in assets (as at end March 2017). We work on behalf of millions of underlying beneficiaries, including beneficiaries of a number of pension schemes in the USA. We are best known for our active investment approach, and recognised as a long-term investor in quality businesses. We are active users of company reporting and associated disclosures.

We firmly encourage the Commission to approve the proposed PCAOB standard on auditor reporting. We believe that extensive due diligence, over a remarkable 6 year period, has led to a proposal that will add real value to investors' understanding of corporate reporting and so lead to greater accountability, as well as shine a light on the delivery of audits and so raise the quality of auditing over time. We have been active users of auditor reports in other markets over the time since they have been enhanced and have seen significant benefits emerge in terms of investor confidence and understanding; we believe that the PCAOB proposal offers the prospect of similar benefits in the US market.

Specifically, we believe that the disclosure of Critical Audit Matters will enhance investor insights into company reporting and into the quality of the audit process. Over time, these disclosures should lead both to better company reporting and enhanced audit quality – in their turn bolstering investor confidence in the market and reducing the cost of capital for US companies.

We also strongly welcome the proposal to disclose audit firm tenure. For us, this is a key insight into the relationship between auditor and company and we give this very active consideration in our proxy voting activities.

We believe there are clear benefits to these proposals and that the costs are extremely limited. As shareholders of companies we will in effect bear those costs, and we are more than willing to do so.

Yours sincerely



Paul Lee  
Head of Corporate Governance