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August 18, 2017

Mr. Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number PCAOB-2017-01

SEC Release No. 34-81187, Notice of Filing of Proposed Rules on The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions, and Other Reporting Circumstances, and Related Amendments to Auditing Standards

Dear Mr. Fields:

Deloitte & Touche LLP is pleased to respond to the request for public comment from the Securities and Exchange Commission (the "SEC" or "Commission") on SEC Release 34-81187, *Notice of Filing of Proposed Rules on The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions, and Other Reporting Circumstances, and Related Amendments to Auditing Standards* (the "proposed rule").

We support the objectives of the proposed rule and believe the new auditor reporting requirements will result in achieving the overall objective of enhancing the communications about the audit and the usefulness of the auditor's report to investors and other financial statement users. The more information of value that auditors are able to provide to the users of financial statements, the greater the value and relevance of audits to the capital markets. Additional transparency regarding the audit also enhances investor confidence in the rigor of the independent audit process.

With respect to disclosure of audit firm tenure, we understand and support the desire for transparency. However, placement of this disclosure in the auditor's report will not be most meaningful to investors. As both PCAOB and Commission officials have publicly stated, auditor tenure is one possible consideration in an audit committee's analysis when evaluating and appointing an audit firm. Long audit tenure was recognized recently by a Commission official as having potential benefits, but there is no ability to provide this

underlying context in the auditor's report.¹ Accordingly, we encourage the Commission to instead consider placement of such disclosure in the proxy, where the appropriate context regarding the audit committee's selection and oversight of the external auditor can be provided.

Further, we encourage the SEC to support the PCAOB in its plans to (i) monitor implementation of new auditor reporting requirements, in particular the reporting of critical audit matters and (ii) conduct a post implementation review of the requirements.

We appreciate the opportunity to provide our perspectives on the proposed rule. If you have any questions or would like to discuss our views further, please contact Dave Sullivan at (██████████).

Sincerely,

A handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in dark ink on a white background.

Deloitte & Touche LLP

cc: Jay Clayton, Chairman
Michael Piwowar, Commissioner
Kara Stein, Commissioner
Wesley Bricker, Chief Accountant
Marc Panucci, Deputy Chief Accountant

¹ In remarks at the 36th Annual SEC and Financial Reporting Institute Conference on June 8, 2017, at which the tenure disclosure requirement was addressed, SEC Chief Accountant Wesley Bricker stated that: "[T]he years of experience may be one of the many factors considered by audit committees in their selection and oversight of the external auditor. In doing so, for example, an audit committee might consider an audit firm's prior service experience in contributing to the firm's understanding of the company's business and audit risks. And, also, an audit committee may want to incorporate prior auditor service into its oversight of the auditor's expertise, incentives and, ultimately, appropriate performance in the conduct of the audit."